

HYDERABAD

at the

Round Table Conference

(Second Session)

Federal Structure Committee

9192

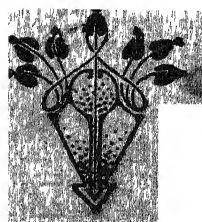


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NOTE

The following Heads for discussion were placed before the Committee by the Chairman —

1. Strength and Composition of the Federal Legislature.
2. Questions connected with the Election of Members of the Federal Legislature.
3. Relations between the two Chambers of the Federal Legislature
4. Distribution of Financial Resources between the Federation and its Units.
5. The Ministry and its Relations with the Legislature.
6. Distribution of Legislative Powers between the Federal and Provincial Legislatures and Effect in the States of Legislation relating to Federal Subjects
7. Administrative Relations between the Federal Government the States and the Provinces
8. The Federal Court

It will be noted that (a) the above Heads were not taken up by the Committee in numerical order, (b) Heads 5 and 6 were only partially discussed, (c) no discussion on Head 7 has yet taken place

Detailed points for discussion in connection with each Head were drafted by the Chairman. They are printed in this volume at the commencement of the proceedings under the respective Heads.

Federal Structure Committee.

COMPOSITION :

LORD SANKEY (<i>Chairman</i>).	*DR. B. R. AMBEDKAR.
*MR. WEDGWOOD BENN.	*SIR MANECKJEE B. DADABHOY.
*MAJOR W. E. ELLIOT.	*MR. M. K. GANDHI.
*VISCOUNT HAILSHAM.	*MR. A. R. IYENGAR.
SIR SAMUEL HOARE.	MR. M. R. JAYAKAR.
MR. H. B. LEES-SMITH.	MR. M. A. JINNAH.
THE MARQUESS OF LOTHIAN.	MR. T. F. GAVIN JONES.
THE EARL PEEL.	*MR. N. M. JOSHI.
*MR. F. W. PETHICK-LAWRENCE.	*PANDIT MADAN MOHAN MALAVIYA
THE MARQUESS OF READING.	*SIR PROVASH CHUNDER MITTER.
*H. H. THE MAHARAJA GAEKWAR OF BARODA.	DIWAN BAHADUR RAMASWAMI MUDALIYAR.
H. H. THE NAWAB OF BHIOPAL.	SIR SAYED SULTAN AHMED.
H. H. THE MAHARAJA OF BIKANER	SIR TEJ BAHADUR SAPRU.
*H. H. THE MAHARAJ RANA OF DHOLPUR.	MR. SRINIVASA SASTRI.
*H. H. THE MAHARAJA OF REWA.	*DR. SHAFAT AHMAD KHAN.
H. H. THE CHIEF SAHIB OF SANGLI	SIR MUHAMMAD SHAFI.
SIR AKBAR HYDERI.	*MRS. SUBBARAYAN
SIR MIRZA ISMAIL.	*SIR PURSHOTAMDAS THAKURDAS.
COLONEL K. N. HAKSAR.	SARDAR UJJAL SINGH.
	*MR. ZAFRULLAH KHAN.

*Denotes new members.

Indian States Delegation Advisers.

SIR R. CHENEVIX-TRENCH.
NAWAB MEHDI YAR JUNG.
SIR P. PATTANI.
SIR M. MEHTA.
R. B. PANDIT AMAR NATH ATAL.
SAHIBZADA A. S. KHAN.
SARDAR KIBE.
MR. K. C. NEOGY.
MR. Y. N. THOMBARE.
CAPTAIN WEBB.
PROFESSOR RUSHBROOK-WILLIAMS.
MR. J. W. YOUNG.
MR. BAPANNA.

I. Secretaries, British Delegation.

MR. LAITHWAITE
MR. DAWSON.
MR. FITZE.
MR. LEWIS.
MR. PATRICK.
PROFESSOR COATMAN.
MR. STOPFORD.
MR. GARRATT.

II. Secretaries, Indian States Delegation.

MR. M. S. A. HYDARI.
MR. K. M. PANIKKAR.
MR. N. MADHAVA RAO.

III. Secretaries, British Indian Delegation.

SIR GEOFFREY CORBETT.
MR. LATIFI.
MR. BAJPAL.
MR. RAMA RAU.

IV. Secretariat-General.

MR. CARTER (SECRETARY-GENERAL)
MR. ANDERSON.
MR. SLADEN.
MR. DESHMUKH.

V. Publicity Officers.

MR. MACGREGOR.
MR. STEWARD.
MR. JOYCE.

Sir Manubhai Mehta acted as substitute in the absence of H. H. The Maharaja of Bikaner.

Lord Snell acted as substitute in the absence of Mr. Wedgwood Benn, Mr. Lees-Smith and Mr. Pethick-Lawrence.

Rao Bahadur Krishnama Chari acted as substitute in the absence of H. H. The Maharaja Gaekwar of Baroda.

Mr. E. C. Benthall acted as substitute in the absence of Mr. Gavin Jones.

PROCEEDINGS OF THE TWENTIETH MEETING OF THE FEDERAL STRUCTURE
COMMITTEE HELD ON MONDAY, THE 7TH SEPTEMBER, 1931, AT 3 P.M.

PRELIMINARY.

Chairman : Your Highnesses, Mr. Prime Minister, My Lords, Mrs. Subbarayan and Gentlemen, My first duty, and it is a pleasant one, is to extend to all of you a hearty welcome. Those of us who sat together during the anxious days and weeks at the beginning of this year will especially desire to greet our new colleagues, for we are certain that the happy relations which were established among us on the last occasion will be maintained.

Our task is to continue the work upon which we were engaged when last we met. We are here to offer our experience, to express our opinions, and to pool our ideas, in the hope that by a united effort we may find some solution of the difficult questions which are now causing anxiety to all those who are interested in the future happiness and prosperity of India.

We shall never achieve our ambition unless we understand one another and try to appreciate each other's hopes and fears. The coming weeks will afford an opportunity, both inside and outside these walls, of reaching an understanding. Such an opportunity may never come again in our lifetime ; do not let us miss it. Uniformity may not be possible or may not even be desirable, but let us strive for unanimity. I believe that, with patience and goodwill, we can and shall reach a settlement. There is a world opinion with which we shall rightly have to reckon if we fail.

All schools of thought are represented round this table with one exception. That exception will cease to exist this day week, when we shall welcome Mahatma Gandhi to this board. He is not the only one who has found it difficult to attend the Federal Structure Committee ; but it is idle to put your hand to the plough and then to look back.

Let me express your thoughts and desires, which I too share. To restore peace and happiness to India is worth any personal sacrifice. To see India a nation, realising her age-long dream and taking her proper part in the social and political thought and development of the world, is our great ambition. We at least can begin, even if it is left to others to complete the work.

During the last months India has never been absent from our thoughts for a single day. Both here and with you the situation has been carefully surveyed, the problems set out and alternative modes of dealing with them prepared for your consideration. While we shall be glad to hear the general views of those who are with us for the first time, I am anxious that we should get to grips with the difficulties and come to decisions as soon as possible.

Prime Minister : Lord Sankey, Your Highnesses, Mrs. Subbarayan, and Gentlemen, I am very glad indeed to meet you again. The sight of this gathering in these rooms, as by magic, switches us back to when we were meeting here last time, and I am very glad personally to renew the friendship made in those days and to meet new friends who have arrived here for the first time. I dare say you have been reading the newspapers, and that you will have seen that changes have taken place since we last met. Be assured, my friends, that whatever changes have taken place, there has been no change in public aims, and I venture to say no change in private friendships. The great discovery, I think, which we made in those previous conferences was

that until we put ourselves in each other's shoes we could find no key to unlock the very complicated lock of Indian problems ; but as soon as you had the imagination to think of yourselves as us, and we had the imagination, on the other hand, to think of ourselves as you, we began to find that the key which we put into this intricate lock began to work in a very admirable and successful way. Let us go back to that. Let us begin these deliberations in the same way as we ended the last ones

Lord Sankey remains the Chairman of this very important Committee. Is not that, of itself, my friends, a guarantee of how the work is to be done ? So far as I am concerned, I remain the Chairman of the Round Table Conference ; and if, during the next few days, may be for a week or so, I shall be almost absolutely absorbed in other matters, that does not mean that I have ceased to remember the duty I owe to you or that I am not desperately determined that the same good relations which I was able to establish then shall be continued in the future. That is all I need say at this moment.

Believe me—and I am repeating myself because it is so big in my mind—believe me, the memories that this little gathering recalls, the scenes that it makes alive again, are every pleasant to me, and fill me with the ambition to bring all our work to a successful fruition—successful to you and successful to us.

* * *

Sir Akbar Hydari : Mr. Prime Minister, Lord Sankey, Your Highnesses, Mrs. Subbarayan and Gentlemen, I had not intended to speak this afternoon, but I cannot resist the call that has been made on me by Lord Sankey ; and I wish to associate myself with the general expression of goodwill and satisfaction at our re-assembling here so early, notwithstanding the preoccupations which His Majesty's Government must have, to try to find a solution for the great problem which at present confronts the Empire with regard to India. We are all very grateful to the members of the British Delegations for their assurance that the same spirit and the same attitude towards a sympathetic consideration of the Indian problem exists now as it did before. Of this we were assured also when we learned that the constitution of those Delegations remains practically the same, although perhaps some places have been changed in a physical sense.

So far as we on this side are concerned, speaking on behalf of Hyderabad, I should like to assure you that our attitude remains exactly the same as before, and that the structure which you commenced to build on the last occasion still remains the one the construction of which we hope to continue. We think that the Federal idea is the only idea that will really meet the needs of India's case, and we hope that in every possible way we may be able to assist in helping you towards the completion of that structure.

* * *

PROCEEDINGS OF THE TWENTY-FIRST MEETING OF THE FEDERAL
STRUCTURE COMMITTEE HELD ON MONDAY, THE 14TH SEPTEMBER,
1931, AT 11 A.M.

PRELIMINARY—continued.

Chairman : Your Highnesses, My Lords and Gentlemen, I should like very much to welcome the three new Delegates to our Federal Structure

I think it is much better to set aside the general principles that have formed so large a part of those two speeches, and to remember that we are a Committee with definite terms of reference, namely, to see whether we can work out the details of an all-India Federation within the British Empire—for those, after all, are our terms of reference. With that in mind we can proceed to the detailed discussion of the actual factors in the problem.

Gentlemen, I have ventured to make these observations lest it should be thought that my silence implied in any way an acceptance of many of the very controversial propositions which have already been raised.

* * *

HEAD 2.

QUESTIONS CONNECTED WITH THE ELECTION OF MEMBERS OF THE FEDERAL LEGISLATURE.

The following points for discussion in connection with this Head were drafted by the Chairman :—

(i) *What is to be the method of selection for each Chamber of the Federal Legislature of the representatives—*

(a) *of individual States,*

(b) *of groups of States ?*

(ii) *If the method of selection is to be nomination, by what method is a State's representative's seat to be vacated otherwise than by death or on dissolution ?*

(iii) *Are the British Indian representatives in the Upper Chamber (other than those, if any, representing special interests), to be—*

(a) *directly elected by territorial constituencies,*

(b) *indirectly elected by the Lower Chamber,*

(c) *indirectly elected by the Provincial Legislatures ?*

(iv) *Are the British Indian representatives in the Lower Chamber (other than those, if any, representing special interests), to be—*

(a) *directly elected by territorial constituencies,*

(b) *indirectly elected by the Provincial Legislatures.*

(c) *indirectly elected by any other method ?*

(v) *Is provision to be made for the representation by special constituencies of special interests, other than communal interests, and if so, for which interests—*

(a) *in the Upper Chamber,*

(b) *in the Lower Chamber ?*

(vi) *Are any special qualifications to be laid down for eligibility for membership of the Upper House ?*

(vii) *What requirements, if any, are to be made in the matter of an Oath of Allegiance on assumption of a seat in either Chamber ?*

(viii) *What provision, if any, shall be made in each Chamber for nominated members, and for what purposes ?*

Chairman : I think the position now is that our preliminary discussion has come to an end, and we must now get down to details. Perhaps you will take in your hands the paper which has been circulated and turn to page 3 of it. In accordance with your wish, as expressed yesterday, we are going to begin with Head No. 2. I propose first of all—it will not take me more than a very few minutes—to draw your attention to those paragraphs in the Reports of the Federal Structure sub-Committee which deal to some extent with the questions to which you will now have to give a definite answer.

If you will take Head 2, you will see that the first question is :—

“ What is to be the method of selection for each Chamber of the Federal Legislature of the representatives —(a) of individual States,
(b) of groups of States ? ”

Now will you please take the Report of the Federal Structure sub-Committee in your hands, because I shall have to refer you to one or two points and ask you to make notes for the discussion. If you will turn to page 8 of the Report of the Federal Structure sub-Committee, you will see that paragraph 6 bears on it to some extent. Paragraph 6 says :—

“ The method whereby the representatives of British India are to be chosen was not referred to this sub-Committee, but Their Highnesses made it clear that, in their opinion, the method by which the States' representatives should be chosen will be a matter for the States themselves.”

Now will you please turn to page 15 of the Report of the Federal Structure sub-Committee. You will see that the question by this time was referred to us. Please look at the bottom of the page, where you will see it says :—

“ The further Heads which were referred to the sub-Committee and are now under discussion are :— . (3) The method whereby representatives from British India and from the Indian States are to be chosen.”

Will you please put against this item, therefore, the reference to the pages in the Report of the Federal Structure sub-Committee—page 8 and page 15. I will now ask you to turn to paragraph 26 on page 21 of the Report of the Federal Structure sub-Committee. The Federal Structure sub-Committee did not go very deeply into this question. If you will look at paragraph 27, the last sentence of the first sub-paragraph, you will see that it says :—

“ It was thought that this object might be secured by prescribing for the candidature of the British India members qualifications similar to those now in force for the Council of State : and the sub-Committee have no doubt that the Rulers of the Indian States, in selecting their representatives, will ensure that they are persons of similar standing.”

Here comes the method of election to the Upper Chamber, and the Report says :—

“ The sub-Committee are almost unanimously of opinion that the British Indian members of the Senate should be elected by the Provincial Legislatures, by the single transferable vote.”

If you will now go to question (ii) of Head 2, you will see that it is this :—

“ If the method of selection ”—(that is, selection by the States)—
“ is to be nomination, by what method is a State's representative's seat to be vacated otherwise than by death or on dissolution ? ”

That is a question which was not touched upon by the Federal Structure sub-Committee, and you will have to consider it.

Please turn now to the next page, where you will find question (iii). We are now coming to the British Indian representatives in the Upper Chamber, and the question is :—

“ Are the British Indian representatives in the Upper Chamber (other than those, if any, representing special interests) to be—(a) directly elected by territorial constituencies, (b) indirectly elected by the Lower Chamber, (c) indirectly elected by the Provincial Legislatures ? ”

Will you place opposite to that, please, page 21 of the Federal Structure sub-Committee's Report, because I have just pointed out to you that the recommendation was that :—

“ The sub-Committee are almost unanimously of opinion that the British Indian members of the Senate should be elected by the Provincial Legislatures, by the single transferable vote.”

Will you now please turn to (iv) :—

“ Are the British Indian representatives in the Lower Chamber (other than those, if any, representing special interests), to be —(a) directly elected by territorial constituencies, (b) indirectly elected by the Provincial Legislatures, (c) indirectly elected by any other method ? ”

That is dealt with in para. 32 of the Federal Structure sub-Committee's Report on page 23. I am not going to read the whole of it ; but I should be glad if you would put a note against question (iv)—that it is dealt with on page 23 in paragraph 32.

With regard to the next one, (v) :—

“ Is provision to be made for the representation by special constituencies of special interests, other than communal interests and, if so, for which interests—

(a) in the Upper Chamber,

(b) in the Lower Chamber ? ”

I shall be glad if you will put against that paragraph 34. If you will just turn to it, it is on page 24 ; and that paragraph is headed “ Representation of special interests and of the Crown in Federal Legislature.”

The next question is :—

“ Are any special qualifications to be laid down for eligibility for membership of the Upper House ? ”

That is to some extent dealt with in paragraph 26 of the Federal Structure sub-Committee's Report, and I must just read it. It is on page 21 :—

“ But proceeding simply on the basis that there will be two Chambers, the Upper smaller in size than the Lower, and without any decision as to the relations of one to the other, the balance of opinion was to the effect that the Upper Chamber—which might be described as the Senate—of the Federal Legislature should be a small body, of from 100 to 150 members, whose qualifications should be such as will ensure that it is a body of weight, experience and character.”

If you would allow me, I would just like to give you a note about that, before I go on, with regard to the qualifications. I am not saying that these

are the proper qualifications ; I am only just saying that they are some of the qualifications which obtain in other constitutions :—

“ The qualifications of a Senator should be as follows ”—(I am not saying these are right, you know ; I am only putting out suggestions)—“ that he is to be not less than 25 years of age, except in the case of a Prince sitting in his own right ; (2) that he is to be a British subject or a Ruler or subject of an Indian State ; and (3) either to be in possession of specified property qualifications or to have been a member of either Chamber of the Indian Legislature as constituted by the Government of India Act 1919 or of the Federal Legislature, or to possess such other qualifications as any Provincial or State Government may prescribe with a view to securing persons who have rendered distinguished public service.”

Now, there is one question which I left out there, but which we shall perhaps have to consider at some time or other. It is all very well to talk about qualifications, but are there to be some disqualifications at times ? Now, that is a matter which I do not propose to discuss at the moment. I have here a long note with regard to disqualifications which I can circulate later. The difficult point there—I am going to tell you all the difficulties at once, so that we may consider them—is disqualifications which it may or may not be thought wise to impose with regard to political offences. I am not going to say more than that. I simply mention the fact to you.

Now, with regard to (vii) :—

“ What requirements, if any, are to be made in the matter of an Oath of Allegiance on assumption of a seat in either Chamber ? ”

With regard to that, the Federal Structure sub-Committee did not make any recommendation ; but it is usual to provide that members of a Legislative body should subscribe to an Oath of Affirmation of Allegiance. A provision of this character may raise difficulties in the case of an Indian Federation, particularly as regards the States. I have got a note about that which I will circulate in due course. I am not going to take up your time now. We have been very carefully into that matter ; and later on, if you will allow me, I will put before you the various pros and cons.

Finally, (viii) :—

“ What provision, if any, shall be made in each Chamber for nominated members, and for what purposes ? ”

That is dealt with in paragraph 34, if you will just put a note against it. It is on page 24 of the Federal Structure sub-Committee's Report :—“ Representation of special interests and of the Crown in Federal Legislature.”

* * *

Sir Tej Bahadur Sapru

* * *

If you are going to have representative froms British India in the Upper Chamber, and also representatives of the Indian States in the Upper Chamber, then the question arises, as it is given under Head 2 :—

“ What is to be the method of selection for each Chamber of the Federal Legislature of the representatives—(a) of individual States, (b) of groups of States ? ”

There is also the second question :—

“ If the method of selection is to be nomination, by what method is a State’s representative’s seat to be vacated otherwise than by death or on dissolution ? ”

I should have preferred, on the question of the representation of the Indian States in the Upper Chamber, Their Highnesses to take the lead and tell us what their view of the matter is. I am working under a disadvantage in that respect ; but I venture to think that, so far as the representation of the Indian States in the Upper House is concerned, the method of selection will not present any real and serious difficulty. Your Lordship will remember that, at the last Session of this Conference, I ventured to suggest that the method of selection to be adopted for the Upper House should be indirect — in other words, that the Provincial Legislatures in British India, so far as British India is concerned, should be the constituencies for the election of their representatives in the Upper House. I believe I am right in saying that the vast majority of the members of this Committee and of the Conference supported the idea of indirect election through the Provincial Legislatures. That was also the recommendation contained in the Report of the Nehru Committee.

I am quite aware that there are certain Upper Chambers in other parts of the world where the House is entirely elected, but I venture to point out that where the Upper Chamber is an elected House, there has generally been an attempt on its part to usurp powers over financial matters ; and you cannot in fairness deny to the Upper House a very substantial voice in matters of a financial character when that House also is an elected House. If, on the other hand, it is desired that the Upper House, in the peculiar circumstances of India, should have more or less a conservative character, and consist of men who by reason of their age, experience and judgment can exercise a steadying influence, then I venture to think the proper course for us is to have that House appointed by nomination or by election through the Provincial Legislatures. This, of course, refers to British India. Whether you will have only the Provincial Legislatures, or whether you will enlarge the constituencies for the Upper House by adding to them local boards such as municipal boards or district boards in British India, is a different question ; and on that I can quite understand there being a difference of opinion. I offer no suggestion with regard to that ; but, on the main question of indirect election, I stand by the recommendation contained in the Report of the Federal Structure sub-Committee.

Coming now to the Indian States, it is quite clear that, if we are prepared to favour indirect election so far as British India is concerned, we cannot expect the Indian States to adopt any other method. The Upper House in a federal constitution, if I am not mistaken, is supposed to represent the states or the governments of the states more than the people. If that is so, then I do not think we can seriously object at all to the Indian States choosing their representatives or the representatives of their governments in an indirect manner by nomination—that is to say, there will be no popular election. That is the suggestion I make with regard to the Upper House.

But when you come to the Lower House, difficulties of an enormous character do arise. So far as British India is concerned you will find, from the Report of the Federal Structure Committee, that the vast majority of

the Indian members present on the last occasion favoured direct election ; and I venture to think that, so far as British India is concerned, there is a very strong feeling that the election should be of a direct character. I would, in this connection, remind the House of the recommendations of the Government of India contained in their Despatch. They themselves point out that, to adopt an indirect method of election for the Lower House, would be looked upon in India as a reactionary step ; and they say that possibly for the period of transition it might do to have something in the nature of a mixture of directly and indirectly elected representatives. I venture to suggest that, so far as the Lower House is concerned, British India should be allowed to elect its representatives in a direct manner.

But when you have done that, then you come up against a difficulty of a very serious character, and that relates to the Indian States. I am fully aware of the sentiment of Their Highnesses on this point, and I would beg of them not to misunderstand me and not to suppose that I am using any dictatorial language. There is nothing further from my intention than to indulge in language of that character. I thoroughly realise the peculiar position of the Indian States, and I do not want in the slightest degree to interfere with their liberty of action or with their discretion in this matter. But I would respectfully remind them that the march of democracy is irresistible. They can regulate it in their own time, they can control it in their own time, but I venture to think that they cannot resist it ; and it is for Their Highnesses to consider whether they will not adopt some method of sending their representatives to the Lower House which may enable their representatives to bear more or less the same character as the representatives of British India will do. It will distinctly be a disadvantage to the representatives of the Indian States in the Lower House in dealing with their colleagues of British India, if they are always to be reminded that they are not popular representatives, but that they are the representatives of individual Princes or of Governments of Indian States. The real point which I am emphasising is that the Lower House should contain representatives from the Indian States of a popular character—that the representatives of the Indian States in the Lower House should not be officials. How they will do it is a question for them to decide. There are Indian States at the present moment in India which possess legislative bodies. There are the great States of Mysore, Travancore, Cochin, Bikaner and Baroda, which do possess legislative assemblies. There are other States which do not possess legislative assemblies, but which do possess bodies like municipalities or district boards. There is again a third class of States which do not possess either legislature or municipal bodies or local bodies. I do not think that it is the intention of any one of us here to force our decisions upon Their Highnesses ; but we beg of them, in the interests of the all-India Federation, of which they are as much the authors as we—and, indeed, of which they are in a larger measure the authors than we are, because, without their consent, the idea would not have borne any fruit—we appeal to them to consider whether, in the interests of the country as a whole, and of the all-India Federation, in which lie our hopes of Indian unity, they will not adopt methods to satisfy popular opinion in British India. It is for them to decide, and it is for them to make a statement on the point. Therefore, my submission is that the States which are already equipped with legislative machinery should decide to send their representatives through their legislative bodies ; for the States which can afford

to send their representatives through municipalities and district boards, to send their representatives through them. As regards the rest we can afford to bide our time ; and we hope that the example of these bigger States, which contain legislative bodies and municipal bodies, will be infectious in course of time.

You will observe that, in question No. (1), we have to deal with the cases of individual States and of groups of States. I imagine that this classification of the States implies that there are certain individual States which would like or would probably insist upon, individual representation, more or less following the practice of the Chamber of Princes, with which Their Highnesses are more familiar than I can pretend to be. On the other hand, there are smaller States which can only find representation by grouping themselves together in certain groups, because it is quite obvious that, if you give representation to each one of these units, your Second Chamber will consist of something like 600 odd people, and your First Chamber must consist of even a larger number of men—and that is entirely out of the question. Therefore it is for Their Highnesses to say what is the minimum number that will meet their requirements and which will meet their needs. Then we can discuss the question of the proportions between British India and the Indian States. It is for Their Highnesses to say how, having got that minimum number, they are going to provide for the representation of the smaller States and how they are going to group them together. These are matters of a domestic character so far as Their Highnesses are concerned. We are not directly interested in the question as to how the representation is to be secured for the smaller States but we do wish to say that we entirely sympathise with and support the claim of the smaller States that they should be represented not only in the Upper House but in the Lower House.

Now I pass to the second question under head No. 2. The question is, you will observe :—

“ If the method of selection is to be nomination, by what method is a State’s representative’s seat to be vacated otherwise than by death or on dissolution ? ”

I will not take many minutes over this question ; but I would venture to say that, once a State’s representative has been selected or elected or nominated to either of the two Houses, excepting in the case of officials of the States who may be sent up to the Upper House, their seats should not be vacated otherwise than by death or by dissolution—that is to say, I think constitutionally it would not be right or correct that A should be representing an Indian State in the Lower House to-day and B should be representing the same State to-morrow. There must be continuity, which alone can secure independence on the part of the representatives. But I am prepared to make an exception in the case of officials who may be sent by the Indian States to the Upper House. For instance, I could quite imagine a State sending a Minister to the Upper House to-day, and that Minister ceasing to hold office after six months, and that State desiring to send his successor to the Upper House. But, excepting for that, I would not allow the seat of a representative of an Indian State in either House to be terminated or to be taken back merely at the option of a nominating or selecting agency.

brought into intimate contact with the Government, so that they may have an opportunity of expressing their views and the Government may have an opportunity of expressing its policy to them. And it is just possible that we may be able to find a solution of this question in a way which is more in consonance with our own traditions and with our own present peculiar position. I may illustrate how many institutions get transformed when they are transferred to an Indian State's soil, when I say that Hyderabad has had a Legislative Council for many, many years-- for certainly over 25 years, during which my connection with that State has remained since I severed my connection with British India ; and you will all be surprised to hear how, in that Legislative Council we have officials, and yet times without number I, as the Home Secretary, have brought forward measures, and I have been defeated by the votes of officials. The reason is not far to seek. It is because there everybody feels that he represents not any particular consolidated interest which does not belong to the country, but that they all belong to that State itself, having an allegiance to the Ruler who stands for that State, its progress and the prosperity of its people. Therefore I beg of you to leave this question of representation, whether in the Upper or in the Lower House, to the patriotism and to the sense of sympathy with the people which exists in the States themselves, so that they may, in their own way, try to find out how best they can supply that need, and at the same time preserve the State as an instrument of that culture of which the Indian States are really the present relics.

I now come, Sir, to the only other question which is pertinent to the Indian States on this matter and that is to the Oath of Allegiance. As to that, I beg to submit that such an Oath should have two elements and two only. One is our loyalty to the King-Emperor and the Crown in connection with which we of the Indian States desire that it shall be perennial and indissoluble : and the other that the Oath should not, use the formula of our respected Chief here, in any way detract from the allegiance of an Indian State subject to the Sovereign of the Indian State concerned.

Sir, I have done. I have endeavoured to approach the different questions which you have brought under Head 2, as I shall always approach the questions which we shall have to discuss at this Conference, having one sole aim--the good of India. That lies in looking, not to British India alone, but to the Indian States also, and to the relations of these two with Great Britain--an indissoluble connection which we shall always value. All these interests should not be treated as antagonistic but as complementary. That has been, and will be, the basis of all my suggestions.

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PROCEEDINGS OF THE TWENTY-THIRD MEETING OF THE FEDERAL
STRUCTURE COMMITTEE HELD ON WEDNESDAY, THE 16TH SEPTEMBER,
1931, AT 11 A.M.

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Sardar Ujjal Singh :

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So far as (i) and (ii) are concerned, I feel that these are primarily the concern of the States. As was rightly pointed out by Sir Tej Bahadur Sapru,

we do not mean to dictate any terms in this matter to Their Highnesses. I was very gratified to hear yesterday from Their Highnesses of Bikaner and Bhopal that they were prepared to let their Assemblies select members for the Lower House.

* * *

Mr Zafrullah Khan :

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Now, no doubt, Their Highnesses have insisted, and certain of my friends of the British Indian Delegation have agreed, that the question of selecting their representatives for both Chamber is a matter to be left entirely to the States themselves. I beg to differ from this view. We are sitting here round this table without any desire on any side to dictate to anybody, but with the fullest liberty to put forward our views with regard to matters which have been assumed to be matters of common interest. Yesterday afternoon His Highness of Bikaner was pleased to remark that, even if they agreed to certain matters with regard to the selection of their representatives, it would not be possible for them to enforce that agreement with regard to all the States. Well, of course, that is perfectly true. Even with regard to coming into the Federation, any kind of agreement arrived at here would not be binding upon any State. It would be open to any State, after looking at the completed picture, as it were, to say whether it would be feasible for it to come into the Federation or not. Their Highnesses cannot guarantee that any rules laid down with regard to the selection of their representatives will be agreed to by other States, but no more can they guarantee that any other States will agree to make Federal those subjects which their Highnesses here agree to make Federal. Nevertheless, a certain amount of agreement has to be arrived at on those matters before the thing can be put on a working basis. Therefore, with regard to the question of States' representatives to the Lower Chamber, I would, with very great respect, submit to Their Highnesses that it would be a very anomalous position if it were insisted upon on this side that representatives from British India must be elected representatives, and elected directly, and yet it were left open to the States to send in their representatives by nomination. A wealth of argument has been adduced in support of this proposition, and it seems to me to have been generally agreed upon that that would be the only desirable way of having the wishes of the people represented in the Lower Federal Chamber. Well, what is desirable for British India is certainly desirable for the Indian States; and a suggestion that that should be so with regard to the Lower House does not deprive Their Highnesses and their Administrations of the right of being directly represented as Rulers and Administrations in the Federal Legislature, inasmuch as I have already submitted that it would be desirable that their representatives to the Upper Chamber should be nominated by Their Highnesses or their Administrations.

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Dr. Ambedkar : My Lord Chancellor, I am speaking for the first time as a member of the Federal Structure Committee. Every new member, in availing himself of the very kind opportunity that you gave him for making a general statement of his position with regard to the problems which this Committee will have to face, has given expression to his sense of appreciation

of the great services which you, Sir, have rendered to this Committee ; and he has also added a proviso making it plain that the safety of his own community, or of the interests he represented, was a condition precedent to any consent that he might give to the establishment of responsibility in the Central Government. Lord Chaucellor, if I do not follow my predecessors in this, it is not because I have no feelings to express on the matter. On the contrary, my feelings are very deep ; and if I do not give expression to them it is because I prefer to obey the mandate that you gave us this morning, that all these matters shall be taken as understood.

With these few preliminary remarks I propose to submit my views on the various sub-heads included under Head No. 2. In doing so I do not wish to follow the order of the sub-heads as they are given in the Memorandum which has been circulated to us, nor do I propose to express my views on every item that has been included in that Memorandum. I will only touch upon the topics on which I think I have a definite opinion to express and a definite contribution to make.

The first thing that I propose to deal with is the subject of the composition of the Federal Legislature ; and, before I proceed with that subject, let me make my position clear with respect to the question as to whether the Federal Legislature of future India shall be unicameral or bicameral. Now, I confess at the very outset that I have never been a believer in a bicameral system. I have never accepted that the Second Chamber has any utility at all ; but I also agree that, although I have that conviction in me, there are many others who do not accept that position, and I know that in this Conference it will not be possible for us to convince them that a Second Chamber is not necessary. Secondly, I also feel that, if the relations of the two Chambers are properly regulated -and there are ways by which the fangs of a Second Chamber could be clipped by proper safeguards so that it could be made safe for a democratic government in India—I do not wish to raise any objection to a bicameral system being introduced in India.

Having said that, let me turn to the question of the representation of the British Indian Provinces in the Federal Legislature of India. In doing that, the first question with which we are concerned and confronted is whether the representation shall be direct or whether the representation shall be indirect. It seems to me that, so far as the Lower Chamber of the Federal Assembly is concerned there can be no two opinions. It must be constituted by direct election. I am quite conscious of the fact that the Simon Commission, in dealing with this question, recommended that the Lower Chamber, instead of being constituted by direct election, should be constituted by indirect election ; and in support of that they observed that, as a matter of fact, there was no distinction between direct election and indirect election, and that indirect election was only direct election one step removed. Now, logically, perhaps, that position is correct ; but I submit that psychologically there is a great difference between direct election and indirect election. In my opinion, what is of the utmost importance is that the people of India should be impregnated with the sense that, in the last resort, they are responsible for the good government of the country. And I venture to suggest that, unless the Indian citizen is made to feel that it is he who can make or unmake the government, we shall ever be able to succeed in establishing the true foundations of a responsible government in India.

Now, if my suggestion is correct, then it follows that we must have some system of election whereby a direct contact will be established between the government and the citizens of the country ; and therefore I submit that the blind of an indirect election between the Central Government and the citizens must be removed, and they must be allowed to see the effect of their vote upon the government of the country and upon their welfare. I can, under no circumstances, consent to a system which will not provide for direct election to the Lower Chamber of the Federal Assembly.

Coming to the constitution of the Upper Chamber, I approve of the method suggested by the Federal Structure sub-Committee—namely, that it should be constituted by the method of indirect election in which the Provincial Legislative Councils will form the constituencies. I approve of the system because the election, instead of being carried out by the watertight methods of separate or communal electorates, will be carried out on the basis of proportional representation. Now, I think it is a great advantage in a country like India, where, unfortunately, owing to various circumstances, we cannot avoid the separate representation of distinct communities—where we cannot ignore safeguarding the interests of various groups—to have in the constitution a Chamber which will be non-communal, a Chamber the members of which will have a mandate which will not be drawn exclusively from one particular community, but a mandate which will be broad-based. There is only one comment, however, that I would like to make on this proposal. I have no objection to—indeed, as I have stated, I approve of—the system of proportional representation ; but there is one point which I think ought to be mentioned. All members of the Committee are aware that the minorities in India are not only anxious to have their interests and their communities represented in the various legislatures, but they are also insistent upon the fact that they shall get a certain minimum quantum of representation. Now, my fear is that, although proportional representation may give them some representation in the Upper Chamber, we do not know—for we can never be certain of the results of proportional representation—we do not know that the various communities will succeed in getting the quantum of representation which they want. I would therefore like to suggest that, to this recommendation of the Federal Structure sub-Committee, a proviso something on the lines of Article 35 of the Austrian Constitution should be added. That proviso, of course, does not speak of the representation of the communities ; it speaks of the representation of political parties. But it can be easily made applicable to the representation of the communities. This is how the proviso reads :—

“ The members of the Federal Council and their substitutes shall be elected by the Provincial Diets for the duration of their own legislative period according to the principles of proportional representation ; but at least one seat must fall to the Party having the second highest number of seats in the Provincial Diet or (if several Parties have an equal number of seats) the second highest number of votes at the last election to the Provincial Diet. When the claims of several parties are equal, the matter shall be decided by lot.”

I do not say that this could be taken bodily and adopted in the Indian Constitution ; but that the principle enunciated there, that along with the institution of proportional representation there shall be a proviso which will

guarantee a quantum of representation may be adopted in the constitution.

Now, this is all I have to say so far as the representation of the Provinces of British India in the Federal Legislature is concerned. I come now to the other part of the subject, namely, the representation of the Native States in the Federal Legislature. This subject raises two issues for consideration. One is whether each and every State shall be represented individually or whether they shall be grouped for the purposes of representation ; and the second issue which arises out of it is how they shall be represented, whether by election or by nomination.

I take issue No. 1. The Federal Structure sub-Committee has recommended that this is a matter that can be left to the States themselves. With all respect to the sub-Committee, I beg to differ from their position. I do not think at all that it is a matter for the States to decide. My view is it is a matter for the Federal Structure Committee to decide as to which units shall be recognised as units of the Federal Constitution which we are making. Just see what would be the result of leaving the whole thing to the Native States themselves. First of all I will assume that each State is represented in the Indian Federation. If that happens, my submission is that the Federation which we will have in India will be a mammoth Federation. Let us look at this comparatively. In the German Empire there were only 25 units of the Federal State ; in Australia we have only 5 ; in Austria 8 ; in Canada 4 ; in Switzerland 22 ; in the United States, the largest Federal State, 48. In India, on the assumption I am making that every State is to be represented, we shall have a Federation which will have something like 570 units. Assume, on the other hand, that all the States are not represented in this Federation which we are contemplating and that only some States are to be represented ; then the question which arises is, what is going to happen to the ideal which we have set before ourselves that in the new constitution which we are going to have every inch of Indian area should be represented ? What is going to happen to the States that are going to be left out in the cold ? That is a problem which we shall have to consider.

But, My Lord Chancellor, I have raised this question, not because I am alarmed at the number of States that are going to be the units of the Indian Federation. The thing that disturbs me is this : are we going to recognise every Indian State as an independent unit of the future Federation of India, irrespective of the question whether the units so recognised are capable of bearing the burdens of modern civilisation ; or are we going to admit into our Federation units which are going to be units of the utmost lowest possible vitality ? I am sure that, when we are discussing this question of the Indian States, we are not quite aware of the multiplicity and variety of the circumstances which will be found in the different States ; and, with your permission, My Lord Chancellor, I propose to read a small passage which gives a description of the existing Indian States. I am reading from a book called "The States and Their People in the Indian Constitution," by D. V. Gundappa. Now this is really the position. He gives a table with which I do not wish to trouble the Committee ; I will read his comment :

"From the foregoing tables, it will be seen that as many as 454 States have an area of less than 1,000 square miles ; that 452 States have less than 1,00,000 population ; and that 374 States have a revenue of less

than Rs. 1 lakh. British India, with an area of 10,94,300 square miles and a population of nearly 222 millions, is divided into 273 Districts. The average area of a British Indian District is therefore 4,000 square miles and its average population about 8,00,000. If the suggestion were made that each District in British India should be constituted into a State, how ridiculous would it be considered? Yet it is only some 30, among the 562 States, that possess the area, population and resources of an average British Indian District. Some of the States are so absurdly small that no one can help pitying them for the unfortunate dignity imposed upon them. As many as 15 States have territories which in no case reach a square mile; while 27 others possess just 1 square mile. Fourteen States exist in Surat district, not one of which, according to the list of 1925, realised a revenue of more than Rs. 3,000 in the previous financial year. Three of these States could not boast of a population of 100 souls, and 5 of a revenue of Rs. 100."

The smallest revenue mentioned is Rs. 20 for the year.

H.H. The Maharaja of Bikaner : May I say that bears out what I said yesterday—that there is a confusion of thought in talking of these units of Indian States' territory as States or sovereign States.

Dr. Ambedkar : No. There is none.

H.H. The Maharaja of Bikaner : And I am afraid that even this author from an Indian State, about whom Sir Mirza will be able to say more, has fallen into the same error.

Dr. Ambedkar : May be. With all respect to His Highness The Maharaja of Bikaner, I will ask this question : if he has a special definition of what a State is, and if he is going to follow that definition in the matter of admission of States into the Indian Federation, we should like to know what is going to happen to those who are excluded by the definition he has in mind.

H.H. The Maharaja of Bikaner : I think all that will be dealt with in due course later.

Dr. Ambedkar : This Federal Structure Committee cannot blindly give to the States what they want.

H.H. The Maharaja of Bikaner : Nor can the States : we cannot sign a blank cheque either. We have to appreciate each other's difficulties.

Chairman : Dr. Ambedkar, perhaps you will help me with regard to that. You read a most interesting extract, which I followed with very great care ; but I should like to ask you what are the conclusions that you draw from that extract.

Dr. Ambedkar : What I say is this—that this is a most critical occasion. I say so for this reason—that once you accept the proposition that every State, whatever the attributes of the State may be, is entitled to become a member of the Indian Federation, then you give that State an independent right of existence for ever.

H.H. The Maharaja of Bikaner : It has that right now,

Dr. Ambedkar : That is so by the kindness of the British Government : but my submission is that this is a state of affairs which I for one am unable to contemplate or agree to, and for this reason. After all, no unit in these modern days can exist on a scale such as modern civilisation demands unless it has sufficient resources at its command ; and it is no use trying to please the fancy of an Indian Prince simply because he delights to call himself a Prince by letting his State be a separate entity, irrespective of the consideration whether his people can benefit by it.

H.H. The Maharaja of Bikaner . They are not called Princes.

Dr. Ambedkar : I submit that at any rate this Committee should lay down certain qualifications which a State must fulfil before it can be admitted into the Indian Federation.

Chairman : This is very interesting. Are you able to help us at all with regard to what the qualifications should be ?

Dr. Ambedkar : I would prescribe a certain area and a certain revenue as the tests. I cannot say off-hand what the area should be and what the revenue should be ; but I take my stand on the fact that, if the Ruler of a State wants his State to exist as an independent State and to become a part of the Indian Federation, he should be able to prove that his country has the necessary resources and capacity to give to its citizens a civilised life. That is the stand I take.

Sir Maneckjee Dadabhoy : Am I to understand from my friend's statement that he would not permit a small State with small territory and small income to come into the Federation ?

Dr. Ambedkar : Coming to the second part of the question, namely, the representation of the Indian States in the Federal Legislature, the Indian States have made it clear that they will come into the Indian Federation only if they are permitted to nominate their representatives to the Federal Legislature. Now, with all respect to the Indian Princes, I am afraid I cannot agree with them, and I must insist that their representation shall be by election. In making my submissions on this point, Lord Chancellor, the first thing I should like to point out is that, to my knowledge, there is no precedent in any constitution except one, which I am going to mention in a minute, where State Governments are allowed to nominate their representatives in the Federal Legislature. To recognise that a Unit of the Federation is entitled to representation in the Upper Chamber of the Federal Legislature is one thing ; but it is a totally different thing from the other proposition, namely that it is the Governments which should nominate their representatives to the Chamber. The two things are, in my opinion, totally distinct ; and the only example I know in which such an arrangement was accepted and embodied in the constitution was the Constitution of the old German Empire, in which the Governments of the States were permitted to send their representatives to the Bundesrat. It may be that our brother Delegates on the other side of this table take their stand on this provision in the Constitution of the old German Empire. Before I proceed further I should just like to make this comment—that I am not sure if the Princes understand full well all the implications of this provision in the old German Empire.

The representatives of the various States in the Bundesrat were no doubt regarded as ambassadors of the various States, working with definite instructions : but there was also this tremendous consequence flowing from it namely, that the Bundesrat had the power to examine what might be called the credentials of the ambassadors. Not only that, but the Bundesrat had the power to enquire into dynastic matters concerning the various Princes governing the German States, because it followed that, unless a Prince was lawfully recognised as the head of the State, his delegation had no right to sit in the Bundesrat. Now, I wonder whether the Princes who base their claim on this analogy.....

Colonel Haksar : They do not.

Dr. Ambedkar : I wonder if they would permit the Federal Legislature of India to have such powers as the Bundesrat possessed. But, Lord Chancellor, I am not going to discuss this question by referring to precedents or to analogies ; I am going to discuss this question on a totally different basis and by applying totally different tests. One thing were all clear about is this, that we are framing a constitution for establishing a system of responsible government for India. And although we are discussing various matters, I, for one, can never forget that that is the principal objective and the principal task of this Committee. If follows from this that no concession can be made, no scheme can be adopted, if ultimately it is found that that concession or that scheme is going to compromise the system of responsibility or is going to whittle down the system of responsibility at which we are all aiming.

Now, applying that test, it follows that you cannot consent to the claim of the Princes for nomination of their representatives.

Colonel Haksar : In which House ?

Dr. Ambedkar : In either House ; and for this reason. First of all, anyone who reads the Report of the Federal Structure sub-Committee will find that not only do the Princes want to come into the Legislature, but they also want to be represented in the Central Executive of the country ; and it is only right that the Princes should have that objective, because they would gain nothing by merely coming into the Legislature—their real gain consists in having a hand in the Executive of the country. Now, bearing that point in mind, what I say is this—that you have in the Federal Structure sub-Committee laid down that the system of responsibility in the Central Legislature will be a system of collective responsibility. If the representatives of British India are going to come into the Federal Legislature by election, and if the representatives of the Indian States are coming into the Federal Legislature by nomination with definite instructions from those who will nominate them, I, for one, fail to understand how the system of collective responsibility—with divided mandates, with different instructions—is going to work in the future constitution of the country.

There is also another way in which the system of responsibility is going to be affected by the nomination of the Princes to the Federal Legislature. Sir Tej Bahadur Sapru yesterday very rightly condemned the existence of the official nomination bloc, and for the simple reason that, being at the beck and call of the Executive, the nominated bloc makes the Executive

irresponsible to the Legislature. I think that is the gist of his argument for not supporting the official bloc. Now, the question that I wish to raise is this : Are we quite certain that the Princes' nominees to the Federal Legislature will not play the part of the official bloc ? Speaking for myself, I will be quite candid and say that I am not certain about it ; and I will make my position quite clear as to why I say that. We all know that the Princes carry on the administration of their States under what is called the system of paramountcy, and I think we all know that one of the incidents of the doctrine of paramountcy is that the Paramount Power claims the right of advising the Princes on the matter of important appointments.

H.H. The Maharaja of Bikaner : Not in all. It may be in one or two cases.

Dr. Ambedkar : Well, I can only say that that is what the Butler Committee stated.

Colonel Haksar : Did they ?

H.H. The Maharaja of Bikaner : Did they ? If they did they were wrong, as they were in some other respects.

Dr. Ambedkar : I think I am right ; at least, that is how I have understood it. Add to this the fact that paramountcy in the new constitution is contemplated to remain a reserved subject. Now, supposing the Political Department, which will be exercising the powers of paramountcy, claims the right to advise the Princes in the matter of nomination to the Federal Legislature, what is the effect ?

H.H. The Maharaja of Bikaner : It cannot and would not ; and that would not be accepted by the States.

Dr. Ambedkar : What I say is this. Suppose the Political Department claims that the nomination of the Princes to the Federal Legislature is an important appointment, and as such the Political Department must exercise its right to advise the Princes—what happens ? So far as I am able to judge, so far as I am able to conjecture, the only result will be that the Princes' nomination will in fact be nothing less and nothing else than the official bloc replaced in another form.

Colonel Haksar : It does not happen.

Dr. Ambedkar : And now, at this stage, My Lord Chancellor, I would like to say one thing.....

Sir Maneckjee Dadabhoy : But you have not given us the solution of that problem.

Dr. Ambedkar : I say election, absolutely.

Colonel Haksar : Dr. Ambedkar, would you at some time or other give us the reference to the Butler Committee's Report ?

Dr. Ambedkar : I will try.

Colonel Haksar : Because you credit them with the assertion that the Political Department makes appointments in the important States.

Dr. Ambedkar : Well, Colonel Haksar, we will not wander into a controversy ; but if paramountcy is not brought into operation many other influences could be brought to bear.

Colonel Haksar : You are departing from your position.

Dr. Ambedkar : No, I am not. I will give you the reference.

Now, My Lord Chancellor, there is just this one observation that I would like to make—which I have no doubt, made earlier, but I would like to emphasise it. Of course, we are all trying to work out a federal constitution for India as a whole. But I would also like to emphasise that we are not here merely for the purpose of getting a change in the form of Government ; a change from a unitary government to a federal government.

Chairman : Some people say : whatever is best administered is best.

Dr. Ambedkar : Yes, but I thought we were all agreed on the fact that the thing that is best administered is responsible government. Therefore, although I am willing to make any concession possible in order to bring this Federation into existence, I cannot be a party to any concession or any compromise, as I said, which will only give us the skeleton of federation without the soul, namely, responsible government.

Frankly speaking, I really do not understand why the Princes should oppose the principle of election. Even in the old German Empire, where the right of the federal units to be represented by their governments was conceded, it was also conceded by the States that the Lower Chamber, the Reichstag, should be constituted by election by the people of the States. I cannot see what objection there can be on their part, because all that popular election to the Federal Assembly in the Native States would involve would be the dividing up of their territory into so many constituencies. I could quite understand their objection if we were saying that they must have legislative institutions in their own territory which would control their own administration ; but we are not saying anything of the sort. All that we are saying is this : permit us to divide your territory into constituencies and let your people elect your representatives who will come and vote in the Federal Assembly, not to decide upon your particular matters, not to determine the affairs of your State, but to discuss the affairs of India as a whole. I certainly do not understand what objection there can be from the point of view of the Native States.

Sir Maneckjee Dadabhoy : And in small States also ?

Dr. Ambedkar : If they accept the view which I am urging, that election to the Federal Assembly cannot disturb their own administration—cannot cause any prejudice to their own States—then I submit that, so far as the problem of the representation of the States in the Lower Chamber is concerned, it will be easy of solution. The problem of the representation of the States in the Upper Chamber, of course, will remain to be solved ; and if it is to be solved by a method which will not involve the representation of the States by nomination, I beg to suggest two alternatives for it. The first alternative that I would suggest is the adoption of the Norwegian plan, where you have one elected Chamber popularly constituted, and where that Chamber elects out of its own members a Second Chamber, so that you will

avoid thereby the difficulty of the States having to nominate their representatives in the Upper Chamber. Or, if that is not acceptable, there is another solution which I think may be offered. That is that the Princes may suggest a panel of candidates from which representatives may be selected to the Federal Legislature.

H.H. The Maharaja of Bikaner. By whom?

Dr. Ambedkar. By the Lower Chamber. But in any case I must make it plain, so far as I am concerned, that I shall not be a party to any system which permits the representation of the States by nomination.

Now, My Lord Chancellor, I will take up the other head of discussion, namely, representation of special interests.

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PROCEEDINGS OF THE TWENTY-FOURTH MEETING OF THE FEDERAL
STRUCTURE COMMITTEE HELD ON THURSDAY, THE
17TH SEPTEMBER, 1931, AT 11 A.M.

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Sir Sultan Ahmed : Having said that, My Lord there is one other preliminary observation which I may be permitted to make. We of the Federal Structure sub-Committee unanimously resolved that the best form of the future government of India would be the federal system of government. Since we last met in England we have met again after very careful consideration of that very question in India, and it is a matter of extreme satisfaction to us that the conclusion at which we arrived then has been confirmed by all who are interested in the future advance of India. Mr. Gandhi, who is, more than anyone else, anxious to see the responsibility at the Centre vested in India, has accepted the principle of federation. I have not heard a single speech since last Monday by the new members to show me that the idea of federation is one which is not acceptable. Before I go further I must once again express my gratitude to the Princes who voluntarily and merely for patriotic reasons set the ball rolling last year and accepted the principle of federation.

My Lord, the first sub-head under Head No. 2 requires us to answer as to the method of selection, for each Chamber of the Federal Legislature, of the representatives of individual States and of groups of States. I respectfully submit that it would be proper, expedient and wise that the decision on this matter should be left entirely to the Princes. Some of us expressed an opinion last year, which was repeated this year, that, after all is said and done, once they decide to come to the Lower House, their representatives will come in contact with the popular representatives of British India ; and we have absolutely no doubt as to what the effect of that contact in course of time will be. If any assurance were needed that the representation in the Lower Chamber will be such as will satisfy the requirements of the situation, we have got the assurance from Their Highnesses and the representatives of the States in this Committee. My Lord, what greater assurance is necessary than was afforded to us by His Highness of Bikaner after consultation with His Highness of Bhopal ? What greater assurance is necessary than was given to us by my friend, Sir Akbar Hydari ?

Mr. Gavin Jones :

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With regard to questions (i) and (ii), these are matters that entirely concern the Indian States, and I will not presume to offer them advice. All that the British Delegates are interested in is that the States should be adequately represented in the Federation—that they should be represented in a proportion that will be fair to British India; and as to the method of their appointment I think we must leave that entirely to the Indian States. I think that we British Delegates will make a mistake if we offer advice on these matters, which are entirely within the internal economy of the States, and that we should leave such matters to right themselves afterwards

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Mr. Gavin Jones :

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Now, Sir, as regards question (vii), regarding the Oath of Allegiance, this is a very important matter. Sir Tej Bahadur Sapru has quoted to us the Irish Free State Oath. In that connection His Highness of Bikaner and Sir Akbar Hydari remarked that their subjects could not take any Oath which in any way detracted from their allegiance to the Rulers of their States. Our position is in a way analogous to that of the subjects of Their Highnesses; we cannot possibly take any Oath which will conflict with our individual allegiance to the King-Emperor. We are proud of being subjects of His Majesty, and we take up the standpoint that the Oath of Allegiance should be the same as in all other Dominions except the Free State. The Irish Free State was formed under abnormal circumstances and really was a matter of compromise. We consider that the Irish Free State Oath is objectionable, because it implies loyalty to a Constitution above loyalty to the Crown, or to the Sovereign of the State to which the subject may belong. The position of the subjects of the Indian States is slightly different from our position, because they are independent States and their subjects owe allegiance primarily to their respective Rulers. We would therefore suggest that the Oath should take the following form:—

“I do swear that I shall be faithful to bear true Allegiance to His Majesty King George V, King of Great Britain, Ireland, and the British Dominions beyond the Seas, Emperor of India, His Heirs and Successors according to Law, and to—(and here insert the name and title of the Sovereign of whom the individual is the subject)—His Heirs and Successors according to Law. So help me God.”

Now, Sir, I am perfectly sure that nearly everyone here will be satisfied with an Oath which holds good in all the other Dominions except the Irish Free State. After all, the King-Emperor will be the Head of the Federal Constitution as much as he is the Head of other Dominions; and when you swear Allegiance to the King-Emperor, you will in fact be swearing Allegiance to the Constitution which has been appointed by the King-Emperor. We want, Sir, to be quite clear on this point, so that there will be no confusion hereafter; and we plead with our British Indian fellow-subjects that they should adopt this form of Oath.

Chairman : I have been asked to tell you as concisely as I can what is the view taken by His Highness of Dholpur upon these questions. I am not going to be very long ; but I have had the advantage of speaking about the matter with Sir P. Pattani, who has told me roughly what the idea is ; and I think I had better tell you so that you will know it. You will quite understand, however, that, in the first place, I am not at all expressing my own opinion. and, in the second place, I am only endeavouring to put what would have been put very much better, had he been present, by His Highness of Dholpur. He will be here, I hope, next Monday ; but it is important you should know his views in order that, if you desire to make any remarks upon them, you should have the opportunity.

The position is this. His Highness says that, just as there are some subjects which may concern British India itself—Central subjects—so there may be, and probably are, some subjects which concern all the States centrally, as it were—not Federal subjects, but subjects which concern the States centrally just as some subjects concern British India centrally. He then asks whether it would not be well—just as British India can deal with its own Central subjects—so there should be some organisation which would deal with the Central subjects which concern the States ; and he envisages that a very useful body for that purpose would be the Chamber of Princes—not the Chamber of Princes necessarily as it at present exists, but, to quote his exact words, “ a Chamber of Princes substantially enlarged and constitutionalised as a confederated Indian India.” That Chamber would deal with the class of subject, if there are any, which is Central as far as the States are concerned, just as there may be some subjects which are Central as far as British India is concerned. Those who think with His Highness—I do not know who they are ; that does not concern me, since I am endeavouring only to put this view as clearly as I can—think that this “ enlarged and constitutionalised “ Chamber of Princes can also serve another purpose, and that purpose is this. It might be used as an electoral college for electing the members to represent the States, as I understand it, both in the Upper House and in the Lower House of the Federal Parliament. Sir Prabhashankar will correct me if I am wrong ; I am doing the best I can under the circumstances.

What he says with regard to that is this—and this will concern Your Highnesses. He says that that electoral college will be able to elect, nominate, appoint, select—whatever word you like to use for the moment—the representatives of the States to the Federal Houses of Parliament. But it might well be that they would always have to elect—I am only giving you hypothetical figures—two or three members from Hyderabad and one or two, or two or three, or three or four—whatever you like to put—from one or two of the other bigger States. They would not be quite free to elect whom they like ; the bigger States would be entitled to have two or three—or whatever it may be—representatives. In that sort of way, he says, you will get the great majority of the States, and in particular all the smaller States, represented upon this electoral college ; and in that sort of way they will get an indirect representation by being able to appoint their people to the Federal Houses of Parliament.

As a corollary of that he says that, if that is the proper thing to do—if that is the desirable thing to do—then the position may be regarded in this way. It will not be a Federation, we will say, of British India on the one

side plus, on the other side, Hyderabad and Bikaner and Kashmir and so on—forgive me for not mentioning all the Indian States—but it will be a Federation between British India on the one side and, on the other side, a Confederation of States electing their members through the Chamber of Princes. He says that is a sort of compromise between autocratic representation—forgive me for using the word—of the Ruler of the State and popular election; it is a sort of popular election by the Rulers of many States and not an autocratic selection. Then he says, as a corollary to this—and this is an important thing as far as all of you are concerned—that, if that is so ought not it to be 50/50? You know what that means!

I think, Sir Prabhashankar. I have put it more or less accurately. His Highness of Dholpur will be here on Monday, and then will be the time to ask him questions. But I thought it would be wise that I should tell you this at once so that, if you want to make any comments, you can do so.

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Lord Peel: I do not want to detain the Committee very long. I do not intend at this moment to deal with all these very varied subjects that have been so comprehensively discussed yesterday and to-day, although I have listened with very great interest to the speeches that we have just heard from Dr. Shafa'at Ahmad Khan, Mr. Gavin Jones, and Sir Sultan Ahmed. If I do not discuss the points that they have raised, they will understand that it is merely because, at the present moment, I wish to confine myself to one important point. All these other matters that they have raised are in course of discussion, and are perhaps not ripe for settlement. I wish only to say a few words upon this question of direct or indirect election, because I hope that I shall be able to make a contribution to the shaping of opinion upon this subject before final decisions are taken, and because, if I may say so, I think that the case for indirect election of the Lower House of the Assembly has rather gone by default.

I am quite conscious that I have a great weight of opinion against me. I have my colleagues Sir Tej Bahadur Sapru and Sir Muhammad Shafi. I notice with great interest that these two distinguished leaders of the two great communities are apparently, upon this subject, entirely united. I very much appreciate that sense of unity. I have also Mr. Iyengar against me; and I think that it was Sir Sultan Ahmed who, after regretfully considering the matter, came to the conclusion that, for the Lower House of the Assembly, direct election is necessary. I think that that conclusion was also reached by Mr. Gavin Jones.

I am aware that on two broad principles those gentlemen have supported direct election. The first is that there is no precedent in federal systems for anything but direct election to the Lower Chamber. I am not very much impressed, if I may say so, by the mere question of precedent upon this subject—although, of course, I naturally bow to it in many respects—because it is generally admitted that this whole question of a federal scheme for India has to face problems which are entirely unique. Therefore, is it really wise to draw precedents from other constitutions, when the whole matter is admitted to be entirely different? Secondly, if I may say so, I have never been one of those who are very anxious that, in shaping its constitution, India should necessarily follow Western precedents. Of course there is a

great deal to be said for Western precedents, but I think that in many ways India should not be in the least afraid of striking out a new and original path if it is necessary to do so.

The second broad statement that has been made is that public opinion has been rather concentrated on the point of direct election for the Assembly. Of course, like other people, I have to accept the weight and influence of public opinion. I do not say that I necessarily always think that it is right ; but the public opinion that has been referred to is really— is it not ?—very largely the public opinion that has been directed to the old question of a British Indian representation and a British Indian assembly. Am I not right in saying that it is a little doubtful whether this force of public opinion has really weighed up and seized all the differences that are made in the shaping of the new constitution by the fact that we are moving on to this federal basis rather than on to the old unitary system ? I submit—and this is my first point—that public opinion is very often behind the times. The leaders of public opinion, after all, can do a good deal to shape it, and to show that it is not necessarily consistent with the new state of affairs that has arisen. Moreover, I do not think that we are exempted, simply by the mere statement of public opinion running strongly in one direction, from examining the grounds and the reasons upon which it is founded. We are to some extent a collection of experts. Of course, I do not call myself an expert ; but there are many experts sitting round this table who are very capable of judging whether this new system fits into the general consideration of a federal system and a federal scheme, which in itself is a very complicated and difficult matter. Therefore, I should like to state one or two reasons which seem to me to favour the indirect system, arising, as it were, out of the very body and nature of the constitution itself.

First of all, I think that one wants to get entirely out of one's head, and to free one's mind from, all the presuppositions, prejudices, and tendencies, which naturally hang about the mind when one is thinking of a unitary constitution. Let us look at this matter solely from the point of view of the federal constitution and the necessary implications that follow from that. I would first of all say that clearly, in a federal constitution, you want to have (and I am looking at it purely from the point of view of the good working of a constitution) harmony between the two Chambers of the central body. You must also get such harmony as you can between the federal and the local Governments and Councils. That, after all, is a condition of the good working of the constitution. It is almost a commonplace—but one must base cases on commonplaces because you get down to facts—that this constitution is arising in a different form from that of any other federation. In previous cases you have had strongly constituted units, in some cases sovereign units, which have combined together in order to create a central constitution, and have given up some of the powers that have been long enjoyed for that purpose for the general good. Of course we all know that that is totally the reverse of what has happened and what is happening in India at the present moment. We all know that there has been this unitary Government, and that the authority that has been enjoyed by the Provinces has been a delegated authority and not an original authority, and that they have been allowed - to put it shortly- to do what the Central Government permitted them to do. They have had no, or very little, original force of

their own. Therefore, the whole tradition of people's minds has been, from the political point of view, that they have regarded the Central Government as their master—I will not say with some hostility, but with that critical view with which we often now-a-days regard the exercise of authority over us. They have not regarded the central authority as a being whom they have created themselves, who is their own child, as it were, and whom they ought generally to cherish.

Now, that being so, it seems to me that you ought to secure, if possible, the closest connection between the authoritative expression of authority in the Provinces—that is to say, the Governments and Councils—and these central bodies. And I suggest, therefore, that for that purpose, and to carry out that purpose, the Councils should select their representatives to the Central Assembly—I am assuming, of course, by a method of voting which gives the proper distribution of authority and numbers to the great communities, and so on.

The Provincial Government, therefore—and I do not think it will in the same way regard it if you have direct election—should regard the central authority as its own creation and as really part of itself. We know that, under this constitution, and certainly in a great many quarters, it is pressed that great powers should be given to the Provinces, and that the authority of the Central Government should be limited to certain specific classes of things, and that they should have authority over them and no more. Now, it is quite obvious that, if you are going to create these powerful and very big local governments—almost countries, with forty or fifty millions of people in them—there is a danger of a centrifugal tendency on the part of these great masses to fly away from the centre unless they are firmly and vigorously anchored to that centre. You must really, therefore, do everything you can to maintain a close tie between the Centre and the Provinces in order to get the proper working of the constitution, and you want to lessen that tendency to break away. In many quarters, of course, it is thought that there should not be too much control or authority exercised by the Central Government over the Provinces; and, if that is so, you should make a more special effort, I submit, in your constitution, to link the Provinces, through their authoritative Governments, and the Central Government together.

Now, you have another very great advantage, I submit again, by this system of indirect election. I am referring for the moment to all these separate electorates that you have for the different great communities. It is admitted that they are rather contrary to what is called democratic theory. It is admitted also that they must exist—anyhow for the present, in order to meet the requirements of the great communities. But I do not think you want to multiply them more than you must necessarily do; and if you can get rid of the necessity of setting up these fresh systems of electorates of separate communities, and so on, in all the Provinces, for the purpose of electing to the Central Assembly, well, I think you will have done something at least to soften, in that respect, the antagonisms between the great communities. And, moreover, there is this consideration. It is certainly the experience of the Western world that, the more you multiply the number of elections, the less interest is taken in those elections; and it is necessary to concentrate, if you can, the interest of people on the smallest possible number of elections. In that way you do good, as it were, to the electoral principle itself.

Now may I state the bearing of what I have said on one or two questions such as that of finance. We have not discussed finance very much so far although, of course, that will be one of the governing matters with which we shall have to deal. But it is quite clear that, under the conditions in India, and with the financial system we have got there, and under conditions of federation, there must be the very closest co-operation in matters of finance between the Provinces and the Centre. I am talking both of the matter of the loans question and also of the question of taxes—because however much you choose to separate the heads of taxation, and assign some to the Province and some to the Centre, there must be some mutual give-and-take as regards the yield of these taxes; and in many cases, of course, there may be grants to and from one another as between the Provinces and the Centre. Well, to get harmony in that respect it is clearly necessary again to have the closest relation between the two; and if these gentlemen that you send up are selected by the Provincial bodies themselves, fully aware of the incidence of taxation, you are much more likely, it seems to me, to get harmony, than if you get elected representatives coming straight away from these different constituencies. Moreover, if you are going to have two elected bodies, the elected Provincial Government and the elected Assembly, which must be brought into relation with each other, you are liable to every kind of clashing. Now, it is a commonplace again that elected bodies always differ from one another; it is the law of their being. And one remembers so well, that, in all the discussions in this country as regards putting an electoral element into the House of Lords or having our Second Chamber on an elected basis, we are always told by those who do not like to reform us that there will certainly be clashes between these two assemblies because they are both elected; and that will be the case in India as well. That law applies to the East just as well as to the West. Therefore, in the interests of a general harmony between the two authorities, I submit that you should get away, as it were, if you can, from direct election.

I have argued this, of course, from the point of view of general theory and of the bearing it may have on the federal scheme; and I will only, if I may, notice two objections to that. I think they are stated in the Government of India's Despatch—because the Government of India's Despatch has discussed this question and has not come down, I think, with very great certainty on one side or the other, although it does favour to some extent the direct election system. They suggest, for instance, that by this system of the election of representatives you will have your Assembly a little too much provincialised—that the men will come there less with what I call the all-India outlook and rather with the provincial outlook. Well, I think there would be some force in that if the Provinces were the little things that they are in some constitutions; but with these great bodies of men, representing populations of thirty, forty and fifty millions of people, I do not think what is called the provincial outlook is likely to be so narrow. Indeed, I am inclined to think that, if a man is a good citizen of Bengal or the United Provinces, he is likely to be, for that purpose, a good Indian. I do not see that there is or can be drawn that distinction between the two things.

The other objection, I think, which they raise—which seems to me a very minor objection—is that perhaps the electorate might not want at once to select a man for their Provincial Council and a man who should also be a member of an electoral college for electing the Central Assembly. Well, I

should have thought that, if the people of any district had confidence that a man would represent them in the very difficult and complicated matter of dealing with the affairs that are entrusted to the Provinces, they would also be quite ready to entrust him with the lesser matter of electing a representative on the Central Assembly.

I pass by, therefore, those two objections as not being of really great importance or relevance ; and therefore, if there are great arguments, as I think there are, from the constitutional, federal point of view, for substituting indirect for direct election—and I am not pedantically insisting at the moment upon any particular form of indirect election, because all the different systems are open—there are very great objections to the direct system. I have listened with great respect to what these gentlemen have said about it ; but, nevertheless the consideration of the immense size of these constituencies, and the enormous labour of getting into touch with them, has not been removed from my mind. I do not wish to go into details because gentlemen here know them so well—the great size of these constituencies, especially when that difficulty is enhanced by the necessity of having different electorates for Muslims and Hindus, and the large areas they have got to go over. I was much struck by the remarks of Mr. Iyengar (I think it was), who did not seem to be at all impressed by the difficulties of managing large constituencies. He said one or two things which I did not quite understand in my ignorance. He said you have official organisations which can be said to conduct the elections in a manner which is perhaps not so usual or so easy in a country like England. I do not quite understand that.

Mr. Iyengar : May I hear the passage again ?

Lord Peel . It is page 36 of the report of yesterday's proceedings. I do not wish to detain you at the moment ; perhaps you would tell us afterwards. I do not quite know what it means. You say that there is no doubt a great expense and trouble, but, nevertheless, the electioneering campaign can be conducted successfully, and there can therefore be no real difficulty with regard to the size of the electorates. Mr. Iyengar no doubt will explain that point about the organisation ; but what I submit is this, that that is not so much the main point—as to whether in the stress of an election, with great expense and great trouble and great exhaustion, you are able to get into touch with the whole constituency. What I submit is, that in order to have real representation you must keep in touch with the constituency while you are representing it. Mr Iyengar has not really dealt with the point that, though you may have been elected by your constituency in this way, you are perhaps never able to see it again or visit the whole of it because of its vast size ; and, therefore, as the months and the years go by, there cannot be that close connection between the representative and the constituency which is required. Indeed, the Government of India deal with the same point, and they say that the Indian electorate is held together by agrarian, commercial, professional and caste relations, and it is through these relations that a candidate approaches the electorate. That seems rather to suggest that the representative will deal not with individuals at all, as we should imagine, but with the heads of great organisation. If that is so, that seems to amount to my point. It seems to come to a sort of secondary system or indirect system of election itself, because the representative approaches the

heads of these organisations—like, for instance, the trade union combinations in this country—and does not deal so directly with the electorate. But let me pass by that point for the moment.

After all, the matter will only get worse, because, as the franchise develops, you will have more people in these great constituencies, and the difficulty, of being in touch with your electorates will be even greater. Moreover Mr. Iyengar has admitted the great expense ; and surely, in these days when we hear so much of the poverty of the Indian villagers, and of the difficulty India has, I will not say in meeting her obligations but, in doing all that should be necessary to do for the development of the country, it is rather unwise—is it not ?—to saddle India unnecessarily (if it is unnecessary) with a great expense of elections which might be avoided by the other system. So that, on practical grounds, it seems to me there are also very great objections to the system of direct election.

Now, I have not dwelt solely on these practical grounds. I have fully admitted that there is in this Committee a great deal of opinion against me ; but I do urge that it is not quite enough merely to accept a general feeling of public opinion in favour of direct election, which really may be based upon the history of the last ten years and the experience of the Assembly. I would, therefore, strongly urge my colleagues to consider this matter very carefully and fully, not from the unitary point of view, but from the point of view of how far this system, direct or indirect, will further or prevent, will assist or do harm to, that close union between the different elements in the Federation, the Provinces and the Centre, upon which alone the full and safe working of this great constitutional effort can be based.

Mr. Wedgwood Benn : In a matter of this kind, in which no direct British interest is involved, would Lord Peel say that, in the ultimate decision, Indian opinion if it appeared to be unanimous, should prevail ?

Lord Peel : Well, I think Mr. Benn heard. I stated quite frankly and very fully my feeling that I had a great deal of opinion against me. All I wanted to say at this stage was this : I wanted to make a possible contribution to the discussion in order that my view might be weighed up with other views in any final decision that was arrived at.

Sir Muhammad Shafi : If the Provincial Legislative Councils in the Provinces were to be given this right of electing representatives for the Provinces both for the Upper House as well as for the Lower House in the Central Legislature, does Lord Peel not realise that one result would follow—that the majority in each Province, consisting of say 70 or 60 individuals, would have the right to elect representatives for that Province in both the Upper and the Lower Houses of the Central Legislature, and that the consequences of such a system might be very grave.

Lord Peel : I said, Sir Muhammad, that, so far as I am concerned, I am quite open as to the different methods of indirect election. It does not necessarily follow that members of both Houses should be elected by the Provincial Assembly, although, even if they were elected by the Provincial Assembly, they would be elected with different qualifications and be different kind of men. Of course you could always have the Senate appointed by the Governments, and the representatives in the Assembly appointed by

the Councils. Possibly that would bring it into line, too, with the question of the representation of the Princes.

Sir Tej Bahadur Sapru : May I put one question to Lord Peel just for my information. Assuming that separate electorates have got to be given to the Muslims—not that that is my view—how will that end be secured by indirect election to the Provincial Legislatures ?

Lord Peel : I was trying, as I think you heard, to eliminate one set of separate elections and separate electorates and all the enormous trouble and expense that that would involve. I also mentioned, I think, that the rights of the great communities must be secured, because there would be separate constituting bodies in each Provincial Council who would presumably elect proportionately to their own numbers—to the numbers of the particular community in the Provincial Council. I mean to say, supposing there were 15 Muslims on a Provincial Council, they would obviously have the right of nominating or choosing so many representatives to the Central body.

Sir Sultan Ahmed : Can you suggest any other method of indirect election apart from the Provincial Legislatures ?

Lord Peel : Other suggestions have, of course, been made. There was a suggestion which I believe Lord Lothian favoured ; and Lord Zetland put forward another scheme. There are, of course, a great many different schemes which can be put forward for securing the same end. I did not want to be too long—though I am afraid I have been a little too long—and so I was dealing with the principle of the thing.

(The Committee adjourned at 1-5 p.m. and resumed at 2-30 p.m.)

Mr. Gandhi : Lord Chancellor. It is not without very great hesitation that I take part in this debate on Head 2 ; and, before I proceed to deal with the several points that are noted down here for discussion, I should like, with your permission, to disburden myself of an oppressive feeling that has been growing on me ever since Monday. I have watched with the greatest attention the discussions that have taken place in this Committee. I have endeavoured to study, as I have not done before, the list of the Delegates ; and the first feeling of oppression that has been coming upon me is that we are not the chosen ones of the nation which we should be representing, but we are the chosen ones of the Government. I see, as I study the list and as I know the different parties and groups in India from experience, some very noticeable gaps also ; and so I am oppressed with a sense of unreality in connection with our composition. My second reason for feeling a sense of unreality is that these proceedings seem to me to be interminable and to be leading us practically nowhere. If we go on at this rate I do not know that we shall proceed beyond having discussed the various points raised before this Committee threadbare.

I would therefore, first of all, Lord Chancellor, tender my deepest sympathies to you for the very great patience—and, may I add, the unfailing, —courtesy—with which you are handling us ; and I really congratulate you upon the great pains that you are taking over the proceedings of this Committee. I hope that, at the end of your task and of our task, it will be possible for me to tender my congratulations on having enabled us, or even compelled us, to show some tangible result.

May I here lodge a gentle, humble complaint against His Majesty's advisers? Having brought us together from over the seas, and knowing, as I take it they do know, that we are all of us without exception busy people, as they themselves are, and that we have left our respective posts of duty—having brought us together, is it not possible for them to give us a lead? Can I not, through you, appeal to them to let us know their mind? I should be delighted—and I feel that that would be the proper procedure, if I may venture to say so in your presence—if they would bring forward concrete proposals for taking our opinion. If some such thing was done I have no doubt that we should be able to come to some conclusions, good or bad, satisfactory or unsatisfactory; but if we simply resolve ourselves into a debating society, each member of which gives an eloquent discourse upon the points severally raised, I do not think that we shall be serving or advancing the purpose for which we have been brought together. It seems to me that it might be profitable, if it is open for you, to appoint a sub-Committee to give you some points for conclusion so that our proceedings may be terminated in fair time.

I have simply ventured to throw out these suggestions for your consideration, and for the consideration of the members. Perhaps you will kindly bring them to the notice of His Majesty's advisers for their consideration. I do want them to guide us and to give us a lead, and to place their own cards on the table. I want them to say what they would do supposing that we appointed them as the arbiters of our destiny. If they would be good enough to seek our advice and opinion, then we give them our advice and opinion. That would be, in my opinion, really a better thing than this state of hopeless uncertainty and endless delay.

Having said that, I shall venture to offer a few remarks upon Head 2. There I share the difficulty that faced Sir Tej Bahadur Sapru. If I understood him rightly, he said that he was embarrassed in that he was called upon to deal with several sub-heads when he did not know what the franchise actually would be. There is that difficulty that stares me in the face in common with him; but there is an additional difficulty that stares me in the face. I placed before the Committee the mandate of the Congress, and I have to discuss every one of the sub-heads in terms of that mandate. Therefore on certain of these sub-heads I would have to offer suggestions or my opinion in terms of that mandate; and if the Committee does not know what it is sailing for, naturally the opinion that I may offer would be of really no value to it. The opinion would be of value only in terms of that mandate. My meaning will be clear when I come to examine these sub-heads.

With reference to sub-head (i), whilst my sympathies, broadly speaking, are with Dr. Ambedkar, my reason is wholly with Mr. Gavin Jones and Sir Sultan Ahmed. If we were a homogeneous Committee, whose members were entitled to vote and come to a conclusion, I should then sail a very large distance with Dr. Ambedkar; but such is not our position. We are an ill-assorted group, each member of which is independent of the other and therefore entitled to give his or her views unfettered by any common rule. Hence, we have no right, in my humble opinion, to say to the States what they shall do and what they shall not do. Those States have very generously come to our assistance and said that they would federate with us, and perhaps part with some of their rights which they might otherwise have held exclu-

sively. That being so, I could not but endorse the opinion given by Sir Sultan Ahmed, which was perhaps emphasised by Mr. Gavin Jones, that the utmost that we can do is to plead with the States, and show them our own difficulties. At the same time I feel that we have to recognise their special difficulties also. Therefore I can only venture a suggestion or two to the great Princes for their sympathetic consideration ; and I would urge this, being a man of the people, from the people, and endeavouring to represent the lowest classes of society—I would urge upon them the advisability of finding a place for these also in any scheme that they may evolve and present for the acceptance of this Committee. I feel, and I know, that they have the interests of their ryots at heart. I know that they claim jealously to guard their interests ; but they will, if all goes well, more and more come in contact with popular India, if I may so call British India ; and they will want to make common cause with the inhabitants of that India, as the inhabitants of that India would want to make common cause with the Princes' India. After all, there is no vital, real division between these two Indias. If one can divide a living body into two parts, you may divide India into two parts. It has lived as one country from time immemorial, and no artificial boundary can possibly divide it. The Princes, be it said to their credit, when they declared themselves frankly and courageously in favour of federation, claimed also to be of the same blood with us—claimed to be our own kith and kin. How could they do otherwise ? There is no difference between them and us except that we are common people and they are—God has made them—noblemen, Princes. I wish them well ; I wish them all prosperity ; and I also pray that their prosperity and their welfare may be utilised for the advancement of their own dear people their own subjects. Beyond this I will not go ; I cannot go. I can only make an appeal to them. It is open to them, as we know, either to come into the Federation or not to come into it. It is up to us to make it easy for them to come into the Federation. It is up to them to make it easy for us to welcome them with open arms. Without that spirit of give-and-take, I know that we shall not be able to come to any definite scheme of federation ; or, if we do, we shall ultimately quarrel and break up. Therefore, I would rather that we did not embark upon any federal scheme, than that we should do so without our full hearts in the thing. If we do so, we should do so whole-heartedly.

Then, with reference to the second head, I see that the second head has really been considered in connection with disqualifications—whether there should be any disqualifications or not. Although I claim to be a full-fledged democrat, I have no hesitation in saying that it is entirely consistent with the rights of the voter to have some disqualifications attaching to candidature as also come disqualifications which would unseat a member. What they should be I do not wish to go into at the present moment ; I simply say that I would endorse whole-heartedly the idea and the principle of disqualification. The words “ moral turpitude ” do not frighten me ; on the contrary I think it is a good expression. Of course, any words that we may choose with the greatest deliberation will still cause difficulties ; but what are judges for if they are not there to surmount them ? In case of difficulty, judges will come to our assistance and will say what comes under the term “ moral turpitude ” and what does not ; and if, perchance, a person like myself, offering civil resistance, was considered guilty of “ moral turpitude,” I should not mind. It may be that some people may have to suffer hardship, but on that account

I am not disposed to say that there shall be no disqualifications whatsoever, and that, if there were any, it would be an encroachment upon the right of the voter. If we are to have some test or some age limit, I think we should have some character limit as well.

Then the third point is as to indirect and direct election. I wish Lord Peel were here to find me in substantial agreement with him so far as the principle of indirect election is concerned. I do not know—I am talking simply as a layman—but the words “indirect election” do not frighten me. I do not know if they have any technical meaning; if they have, I am wholly unaware of it. I am presently going to say what I mean. Whether it is called “direct election” or “indirect election,” I would certainly go round and plead for it, and probably get a large body of public opinion in favour of that method of election. The method I am about to suggest is necessary because I am wedded to adult suffrage. Somehow or other, Congressmen swear by it. Adult suffrage is necessary for more reasons than one; and one of the decisive reasons to me is that it enables me to satisfy all the reasonable aspirations, not only of the Mussulmans, but also of the so-called “Untouchables”—of Christians, of labourers and all classes. I cannot possibly bear the idea that a man who has got wealth should have the vote but that a man who has got character, but no wealth or literacy, should have no vote; or that a man who works honestly by the sweat of his brow day in and day out should not have the vote for the crime of being a poor man. It is an unbearable thing; and having lived and mixed with the poorest of the villagers, and having prided myself on being considered an Untouchable, I know that some of the finest specimens of humanity are to be found amongst these poorer people, amongst the very Untouchables themselves. I would far rather forego the right of voting myself than that this Untouchable brother should not have the vote. I am not enamoured of the doctrine of literacy—that a voter must at least have a knowledge of the three Rs. I want for my people a knowledge of the three Rs; but I know also that, if I have to wait until they have got a knowledge of the three Rs. before they can be qualified for voting, I shall have to wait until the Greek Kalends, and I am not prepared to wait all that time. I know millions of these men are quite capable of voting; but if we are going to give them all the vote it will become very difficult, if not absolutely impossible, to bring them all on the voters’ list and have manageable constituencies.

I do share Lord Peel’s fear that, if we have unwieldy constituencies, it is not possible for the candidate to come in personal touch with all this multitude of people or to keep touch with them from time to time and to take their opinion and so on. Although I have never aspired to legislative honours, I have had something to do with these electorates and I know how difficult it has been. I also know the experiences of those who have been members of these legislative bodies. We in the Congress, therefore, have evolved a scheme, and though the Government of the day have accused us of insolently setting up a parallel government, I would like to subscribe to that charge in my own fashion. Though we have not set up any parallel government, we certainly aspire some day or other to displace the existing Government and, in due course, in the course of evolution, to take charge also of that Government.

Having been for the last fourteen years a draftsman of the Indian National Congress, and having been for nearly twenty years draftsman for a

similar body in South Africa, you will allow me to share my experience with you. In the Congress constitution we have practically adult suffrage. We impose a nominal fee of four annas a year. I would not mind imposing that fee even now. I again share Lord Peel's fear that, in our poor country, we run the risk of having to spend a lot of money merely upon managing our elections. I would avoid that, and therefore I would even collect this money. I am open to conviction that even four annas would be a grave burden, in which case I would waive it ; but in any case in the Congress organisation we have that.

We have also another distinguishing feature. So far as I know the working of voting systems, the registration officer has to put on the voter's list all those who he considers are entitled to the vote ; and hence, whether a man wishes to vote or not—whether he wants his name to come on the list or not—he finds his name there. One fine morning I found my name on the voters' list in Durban in Natal. I had no intention of affecting the legislative position there and I never cared to place my name on the roll of voters ; but when some candidate wanted my vote for himself, he drew my attention to the fact that I was on the voters' list ; and since then I have known that is how voters' lists are prepared. We have this alternative, that he who wants the vote can have it. It is therefore open to those who want the vote, subject to the condition regarding age and any other condition which all can fulfil to have their names, without distinction of sex, on the voters' list. I think a scheme of that character would keep the voters' list within a manageable compass.

Even so we would have millions, and something is needed to link the village with the Central Legislature. We have something analogous to the Central Legislature in the Indian Congress Committee. We have also provincial bodies analogous to the Provincial Legislatures, and we have also our own tin-pot legislation and we have also our administration. We have got our own executive. It is perfectly true we have no bayonets to back it, but we have something infinitely superior to back our decisions and to get our people to conform to those decisions, and we have hitherto not found insurmountable difficulties. I do not say that we have been able always to exact obedience fully in all circumstances ; but we have been able to scrape through all these forty-seven years, and year after year this Congress has grown from height to height. Let me tell you that our provincial councils have got full authority to frame bye-laws in order to govern their elections. The corner-stone, namely the qualifications for voters, they cannot change at all ; but all other things they can have in their own way. Therefore I will take only one Province where this thing is done. There the villages elect their own little committees. These committees elect the taluka committees (taluka is a sub-district), and these taluka committees again elect the district councils, and the district councils elect provincial councils. The provincial councils send their members to the central legislature—if one may so dub this all-India Congress Committee. That is how we have been able to do it. If here we do some such thing, I do not mind. But take another way. We must remember that we have 700,000 villages. I believe that the 700,000 includes the Princes' India also. I speak subject to correction. We have perhaps 500,000 or a little more in popular India. We may have these 500,000 units. Each unit would elect its own representative, and these

representatives would be the electorate that would elect, if you will, representatives to the Central or the Federal Legislature. I have simply given you an outline of the scheme. It can be filled in if it commends itself to your attention. If we are going to have adult suffrage I am afraid that we shall have to fall back upon a scheme somewhat after the style that I have suggested to you. Wherever it has been working, I can only give you my evidence that it has worked with excellent results, and there has been no difficulty in establishing contact through these respective representatives with the humblest villager. The machinery has worked smoothly; and, where people have worked it honestly, it has worked expeditiously, and certainly without any expense worth naming. Under this scheme I cannot conceive the possibility of a candidate having to spend Rs. 60,000 over an election, or even one lakh. I know of some cases in which the expenses have run to one lakh of rupees—in my opinion, an atrocious figure for the poorest country in the world.

Whilst I am upon this, I would like to give you my opinion, for what it may be worth, in connection with bicameral Legislatures. I find myself, if it would not offend your susceptibilities, in Mr. Joshi's company. I am certainly not enamoured of and I do not swear by two Houses of Legislature. I have no fear of a popular Legislature running away with itself and hastily passing some laws of which afterwards it will have to repent. I would not like to give a bad name to, and then hang, the popular Legislature. I think that a popular Legislature can take care of itself; and, since I am now thinking of the poorest country in the world, the less expenses we have to bear the better it is for us. I do not for one moment endorse the idea that, unless we have an Upper Chamber, to exercise some control over the popular Chamber, the popular Chamber will ruin the country. I have no such fear; but I can visualise a state of affairs when there can be a battle royal between a popular Chamber and an Upper Chamber. Anyway, whilst I would not take up a decisive attitude in connection with it, personally I am firmly of opinion that we can do with one Chamber only and that we can do with it to great advantage. We will certainly save a great deal of expense, if we can bring ourselves to believe that we shall do with one Chamber. I find myself in agreement whole-heartedly with Lord Peel that we need not worry ourselves about precedents. We shall set a new precedent ourselves. After all we are a continent. There is no such thing as absolute similarity between any two human living institutions. We have our own peculiar circumstances, and we have our idiosyncrasies. I do feel that we shall have in many ways to strike out a new path for ourselves irrespective of precedents. Therefore I feel that we would not go wrong if we tried the method of having one Chamber only. Make it as perfect as human ingenuity can, by all means; but be satisfied with only one Chamber. Holding these views, I do not need to say more about sub-heads (iii) and (iv).

I come to sub-head (v)—representation by special constituencies of special interests. I here speak for the Congress. The Congress has reconciled itself to special treatment of the Hindu-Mislim-Sikh tangle. There are sound historical reasons for it but the Congress will not extend that doctrine in any shape or form. I listened to the list of special interests. So far as the Untouchables are concerned, I have not yet quite grasped what Dr. Ambedkar has to say; but of course the Congress will share the honour with Dr. Ambedkar of representing the interests of the Untouchables. They are

as dear to the Congress as the interests of any other body or of any other individual throughout the length and breadth of India. Therefore I would most strongly resist any further special representation. Under adult suffrage, certainly, labour units and so on, do not require any special representation ; landlords most decidedly not, and I will give you my reason. There is no desire on the part of the Congress, and there is no desire on the part of these dumb paupers, to dispossess landlords of their possessions ; but they would have landlords to act as trustees for their tenants. I think that it should be a matter of pride for the landlords to feel that their ryots, these millions of villagers, would prefer them as their candidates and as their representatives than others coming from other parts or someone from among themselves. Therefore what will happen is that the landlords will have to make common cause with the ryots ; and what can be nobler, what can be better, than they should do so ? But, if the landlords insisted on special treatment and special representation in either Chamber, if there are two Chambers, or in the one popular Chamber, I am afraid that they would be really throwing the apple of discord into our midst ; and I am hoping that no such claim will be put forward on behalf of the landlords or any such interest.

Then I come to my friends the Europeans, whom naturally Mr. Gavin Jones claims to represent. But I would suggest to him humbly that hitherto they have been the privileged class—they have received the protection that this foreign Government could give, and they have received it liberally. If they would now make common cause with the masses of India they would not be afraid, as Mr. Gavin Jones said he was afraid. He read from some document : I have not read it. It may be that some Indians also may say, “ Oh, yes, if Europeans, Englishmen, want to be elected by us we are not going to elect them ;” but I would undertake to take Mr. Gavin Jones throughout the length and breadth of India and show to him that he will be preferred to an Indian if he will make common cause with us. Take Charlie Andrews. I assure you that he will be elected a delegate in any constituency in India without the slightest difficulty. Ask him whether he has not been received throughout the length and breadth of India with open arms. I could multiply those instances. I have appealed to the Europeans to try once in a while to live on the good will of the people, and not seek to have their interests specially safeguarded or protected. If I might venture a suggestion, safeguards would be the wrong way to go about the business. Let them live in India as one of us—that is how I would want them to live, and how I would beseech them to live. In any case, I do feel that, in any scheme that the Congress can be party to, there is no room for the protection of special interests. The special interests are automatically protected when you have got adult suffrage.

So far as the Christians are concerned, if I may cite the testimony of one who is no longer with us, I know that he said : “ We want no special protection.” And I have letters from Christian organisations saying that they want no special protection, that the special protection that they would get would be by right of humble service.

Then, are any special qualifications to be laid down for eligibility for membership of the Upper House ? As you know my opinion about the Upper House, I do not need to give any opinion about that.

Now I come to a very delicate point—that is, the Oath of Allegiance. I would not be able to give any opinion just now, because I want to know

what the status is to be. If it is to be complete freedom, if it is to be complete independence for India, the Oath of Allegiance naturally will be of one character. If it is to be a subject India, then I have no place there. Therefore it is not possible for me to-day to give any opinion upon the question of the Oath of Allegiance.

Then the last question—what provision, if any, shall be made in each Chamber for nominated members? Well, in the scheme that the Congressmen have adumbrated there is no room for nominated members. I can understand experts coming, or men whose advice might be sought. They would give their advice and they would retire. I cannot see the slightest justification for clothing them with votes. Votes are given only by popular representatives if we want to have a democratic institution undiluted. Therefore I cannot possibly endorse a scheme where there are nominated members.

But that brings me back to sub-head (v). We have provision in the Congress regarding special cases. We want women to be elected, we want Europeans to be elected, we certainly want Untouchables to be elected, we want Christians to be elected; and I know well enough that these are very large minorities. Now, supposing that the constituencies so misbehave themselves as not to elect women or Europeans or Untouchables or, say, landlords, and they do not do so for no reasonable justification whatsoever, I would have a clause in the constitution which would enable this elected Legislature to elect those who should have been elected, but have not been elected. Perhaps I have not been able to express my meaning clearly, so I will give you an illustration. We have in one provincial Congress council exactly a rule of this character. We have thrown the burden upon the constituencies of electing so many women, so many Mussulmans and so many Untouchables to the council; and, if they fail to do so, the election is then conducted by this elected body. They elect those who have been unjustly left out by the electorate. I would welcome some such saving clause in order that constituencies may not misbehave themselves; but, in the first instance, I would trust the constituencies to elect all classes of people and not become clannish or be caste-ridden. The Congress mentality, I may assure you, is wholly and absolutely against caste and against the doctrine of superiority and inferiority. Congress is cultivating a spirit of absolute equality.

I am sorry for having taken so much of your time, but I am thankful to you for having given me this indulgence, Lord Sankey.

(Lord Sankey left the Chair, which was taken by Lord Lothian).

Sir Sultan Ahmed: I have a question I want to put to Mr. Gandhi, if you will permit me to do so. He suggested that, if the requisite number of people for any particular community were not elected, then he would have the power of election given to some other body.

Mr. Gandhi: No, it is those people who are elected who will elect.

Mr. Iyengar: Co-option.

Mr. Gandhi: Call it co-option. As a layman, you would not expect me to use accurate language, please.

Sir Sultan Ahmed : But does that not imply that there will be reservation of seats for communities ?

Mr. Gandhi : It need not. As I say, there can be a clause of that kind, without specifying the number ; but I do not mind even the numbers being specified. And you will please remember that that did not refer to the Mussulmans at all.

Sir Sultan Ahmed : No, I am not talking about Mussulmans at all ; I am talking about those four classes whom you mentioned : Commerce, Labour, Landlords, and so on. It is nothing to do with Mussulmans at all they do not come into it.

Mrs. Subbarayan : May I also respectfully ask Mahatma Gandhi a question ? You referred to the position of women. Suppose the Central Legislature does not have any women on it, then you will have a clause to allow that Legislature to co-opt women ?

Mr. Gandhi : I would boycott that Legislature. A Legislature that will not elect a proper share of women will be boycotted by me, and I speak for the Congress also. There would certainly be full protection. How it can be brought about is incredibly simple ; but I would be no party to a setting up of special constituencies.

Mrs. Subbarayan : Not special constituencies ; but supposing women do not come in by general election, then you will allow the Central Legislature to elect some women ?

Mr. Gandhi : Then they have got to enjoy the honour of being elected by the elected legislators, before they can conduct their proceedings.

Sir Akbar Hydari : May I ask one question. With regard to the 500,000 villages or electorates, would they elect first to the Provincial Council and then the Provincial Councils elect to the Federal Legislature, or would you have separate electorates for the Provincial Councils and the Federal Legislature ?

Mr. Gandhi : May I suggest, Sir, in the first instance, in answer to Sir Akbar Hydari, that if you accept the general outline of the scheme that I have adumbrated, all these things can really be settled without the slightest difficulty ; but the special question that Sir Akbar has asked I will answer by saying that the villages will be electing candidates to no legislature in the scheme that I was trying to propound, but they will elect the electors, the voters—the villagers will elect one man, and say “ you will exercise the vote for us.” He will become their agent for the election either to the Provincial Legislature or to the Central Legislature.

Sir Akbar Hydari : Then that man would have a dual capacity, either to elect a man to the Provincial Council or to the Central Legislature ?

Mr. Gandhi : He can have that ; but to-day, to be relevant, I was talking simply of the election to the Central Legislature. I would certainly apply the same scheme to the Provincial Legislature.

Sir Akbar Hydari : Would you rule out any idea of the Provincial Legislature so elected electing to the Federal Legislature ?

Mr. Gandhi . I do not rule it out but that does not commend itself to me. If that is the special meaning of "indirect election" I rule it out. Therefore I use the term "indirect election" vaguely. If it has any such technical meaning, I do not know.

H.H. The Maharaja Gachwar of Baroda . That is the line on which we are working.

Mr. Gandhi : I know Your Highness's scheme.

H.H. The Maharaja Gachwar of Baroda . The object being that each individual, irrespective of class or creed, should be able to vote.

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PROCEEDINGS OF THE TWENTY-FIFTH MEETING OF THE FEDERAL STRUCTURE
COMMITTEE HELD ON FRIDAY, THE 18TH SEPTEMBER, 1931, AT 11 A.M.

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Mr. Joshi : I am very grateful to you for giving me this opportunity, and I am also very grateful to the Committee for their indulgence in allowing me to refer to one special question. The point upon which I want to touch now is the representation of the special classes.

We shall not ask for special representation of the working classes on two conditions. The first condition is, if there is adult suffrage; and the second condition is, if there is no special representation of any other class. But, if there is no adult suffrage or if other classes get special representation, then we shall claim special representation for the workers also.

On the question of the adult franchise I do not wish to dwell here—this is not the Committee for it. But it is necessary for me to make clear that we believe that, if there is adult franchise, and if there are proper election rules for controlling extravagant expenditure and also providing for certain minimum election expenses being provided out of State funds, we believe that if Labour organises itself properly, Labour will be able in time to secure its share in the Legislatures. But, whether there is adult suffrage or not, if other classes, such as the Landholders or Trade and Industry, ask for and get special representation, then Labour also will claim special representation.

My Lord Chancellor, the present position of Labour representation in the Indian Legislatures shows great neglect of Labour interests. In the Legislative Assembly, by rule, there is not a single seat reserved; but, by courtesy, Government nominate one man, while the interests which we have to oppose sometimes have as many as twenty-one seats. It is necessary for me to name those interests. I will consider all the European interests, all the Landholders' interests, and the interests of Trade and Industry together. These three interests may be described as the same—the interests of capitalists. They have as many as twenty-one seats reserved for them. Besides this, they, being very wealthy people, get representation through ordinary constituencies, while there is only one seat for Labour in the Legislative Assembly. There is no seat in the Council of State at all, as regards the Provincial Councils, there are only ten nominated seats for Labour in all the Councils together, while there are sixty-eight seats given to the Europeans, Landholders and Trade and Industry. This position clearly shows that Labour is not properly represented,

The Royal Commission on Labour, over which Mr. Whitely presided, admitted this fact, and they have, at pages 162 and 163, dealt with this question. They say that, even if the minor reforms made in 1926 are taken into account, Industrial Labour, by comparison with the employers, has been under-represented. They admit this fact, and they have made some suggestions. One of their suggestions is that Labour representation must be adequate. They do not state that "adequate" means so much; they have not gone into it; but if you would ask me what is meant by "adequate," I myself hold that Labour should be represented in accordance with its numbers. At least, Labour representation cannot be less than the representation of the Europeans, the representation of the Landholders and the representation of Industry and Commerce put together. We must at least get as much as they get; and our claim is that we should get representation in accordance with our numbers. We do not want any special favour at all.

Then, the Royal Commission on Labour also recognises that this representation should be by election. They are opposed to nomination on several grounds. I do not wish to go into those grounds at all; but they definitely state that, in their opinion, the proper method of representing Labour in the Legislatures is by election. Then they suggest, as the method of election, direct election by members of registered trade union as constituencies—they suggest that for the representation of Labour, the trade unions should be regarded as constituencies. Thus concerning Industrial Labour.

We claim—and the Royal Commission on Labour also admits—that some provision must be made for the representation of Agricultural Labour. It is true that to-day there are no special registered organisations for Agricultural Labour; but there are organisations called the Kisan Sabhas, which are the beginning of some organisation; and I am convinced that, if we once recognise the principle that the representation of the agricultural wage-earners should be through their organisations, there should be no difficulty in securing registered organisations.

Then, Lord Chancellor, there are one or two other classes which are also the working classes; that is to say, the labourers, for whom I plead that they shall have representation. These are the agricultural tenants. They are not wage-earners in the strict sense of the word, but they are a class whose interests must be protected by special constituencies if there is to be special representation for other classes. You cannot give special representation to Landlords and refuse to give special representation to the class of Tenants.

Then, My Lord Chancellor, there is one more class which is also a labouring class. That class is the class of Untouchables. Ninety-five per cent. of the Depressed Classes or Untouchables are labourers. Therefore I plead that what applies to these other classes applies to the Depressed Classes with much greater force. Lord Chancellor, I was sorry yesterday to hear from Mahatma Gandhi that, although he was willing to recognise the claims of the Muslim and Sikh communities for special constituencies, he was not willing to concede that facility to the Untouchables. It was rather a shock to me to find that the Indian National Congress and Mahatma Gandhi should recognise the historical importance of conquest—which is the historical importance of the Muslim and Sikh communities—while they

should not recognise the historical importance of oppression. The Depressed Classes have been an oppressed class for centuries in India, and this historical fact should not be ignored by anyone. I was, therefore, very sorry that Mahatma Gandhi, while conceding the historical necessity of giving special representation to the Muslim and Sikh communities, would not recognise the similar claim of the Depressed Classes. I feel, Lord Chancellor, that if there is any class in India which requires special representation and protection, it is the Untouchables or Depressed Classes. Whatever this Conference and this Committee may do as regards special representation, if you really want to be fair and just you cannot ignore the claims of the Depressed Classes to be treated as a special class. I hope, Sir, that the Committee will insist that the interests of the Depressed Classes should not only be protected but that they should get their fair and due share of representation in the Legislatures. My Lord Chancellor, I am very grateful to you for giving me this further opportunity.

Sir Akbar Hydari : Does Mr. Joshi want the Depressed Classes and Labour to have special representation by excluding them from voting in the general electorates ; that is to say, will they form separate electorates ?

Mr. Joshi : My Lord Chancellor, I consider the Depressed Classes to be somewhat different from Labour ; in their case there is an absolute necessity for special representation. If there is to be a special constituency for anybody, including Muslims and Sikhs, I would first give a special constituency to the Untouchables. As regards Labour, I made it quite clear that, if there is adult suffrage and if there is no special representation for any other class, I shall not claim special representation for the working classes at all. I would take my chance at the polls. But there is one thing I want to say, to make my point clear if there is special representation, it really means that Labour will get its share in the constituencies to the extent to which it can. Special representation will be special representation. As no man who is engaged in trade or commerce will be disqualified from voting in the ordinary constituencies, so no labourer should be disqualified from voting in the ordinary constituencies simply because there are separate constituencies for Labour.

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PROCEEDINGS OF THE TWENTY-SIXTH MEETING OF THE FEDERAL STRUCTURE
COMMITTEE HELD ON THE 21ST SEPTEMBER, 1931, AT 11-30 A.M.

*Statement by the Secretary of State for India regarding the Suspension of Gold
Payments in the United Kingdom.*

Sir Samuel Hoare : Lord Chancellor, You are a very considerate Chairman, and on that account I venture to ask you to let me, in the course of two or three minutes, make a short statement that, whilst it does not concern directly the detailed subjects we are going to discuss this morning, none the less deals with a question which, I am sure, is in the mind of every member of this Committee this morning.

I cannot help thinking that you gentlemen will expect me to refer in a few sentences to the announcement made this morning regarding the suspension of gold payments in this country. For sterling to be divorced, even

though only temporarily, from gold, is an event of international significance and I have no wish to minimise its importance, not only from the point of view of this country, but also from that of those whose currencies are to a greater or less degree linked with sterling. It was to avert such a happening that the National Government was formed; and all its efforts, of which the first fruits were the balancing of the Budget, have been directed to re-establishing confidence in British finance and British currency.

There is no question that our system of national finance is as sound and honest as any in the world, and that the inherent wealth and productive power of the Nation are almost limitless. Indeed, the way had already been paved for the revival of confidence in this country when a crisis broke upon us, precipitated by the action not of British citizens but of foreigners, nervous as to the conditions in their own countries and ignorant of the true position of Great Britain. For a temporary period, therefore, this country will be obliged to protect itself in the manner that has been announced this morning.

The case must, however, be viewed in its true proportions. At a moment when almost every other country is faced with a large deficit, Great Britain is now balancing its Budget; the most crushing burdens are being willingly shouldered by the taxpayer and drastic retrenchments are being made in all possible directions. Unemployment finance has been overhauled and borrowing for this purpose has been ended. The basis for stability has thus been laid and the foundations necessary for the full restoration of confidence have, I believe, been firmly secured. His Majesty's Government are convinced that at this moment the British people will remain as steady as a rock and that they will show their faith in their own currency standing by it in the knowledge that the whole effort of the Government will be directed to the restoration of stability.

Gentlemen, you will be looking to me to add a few words in particular on the bearing of these events on India. I feel a special responsibility in this crisis for India. Since the fixing of the rupee by Statute at 1s. 6d., sterling has until to-day been synonymous with gold, and for all practical purposes the stability of the Indian Exchange has been based on sterling. Indian trade is financed through sterling. The greater part of India's external obligations is in terms of sterling. To follow gold, and so to increase the sterling value of the rupee at this juncture is, I am sure you will agree, out of the question. It has therefore been decided to maintain the present currency standard on a sterling basis. I am satisfied that this is the right course for India and is the most conducive to Indian interests. The Government of India will accordingly continue the policy under which stability in terms of sterling has in the past been secured. Lord Willingdon has already announced that India must regard it as her immediate duty to devise means to weather the economic hurricane, and has declared that the Government of India is determined to maintain the principles of sound finance that India has always followed.

To those among you, expert in Indian finance and able to influence opinion, I would venture to address these words. There has been evidence for some time of a desire to convert rupees into sterling. The uncertain prospects of such action are illustrated by what has just taken place. Patriotic Indians, however, and all who are zealous for India's well-being and constitutional progress, must realise the importance of maintaining the stability

of the currency. They can help by standing by the rupee themselves, and by urging their friends to stand by the rupee as well. A break in the Rupee Exchange, on which the structure of Indian finance is built, would create a financial and economic crisis of the first magnitude, the consequences of which, in these days of crisis, it is impossible to foresee.

His Majesty's Government are determined to use every means in their power to prevent such a calamity. I appeal to you, a most distinguished assembly of Indians representing almost every Indian interest—Princes and politicians, Hindus, Muslims, Sikhs, Minorities—to throw your great influence into the scales for courage, stability and determination at a moment of national trial.

Gentlemen, I am much obliged to you for allowing me to make this statement.

HEAD 3.

RELATIONS BETWEEN THE TWO CHAMBERS OF THE FEDERAL LEGISLATURE.

The following points for discussion in connection with this Head were drafted by the Chairman :—

(i) *Is the constitution to provide that normally, though subject no doubt to any requirements to the contrary necessitated by safeguards, the governing principle with regard to legislation is to be that the assent of both Chambers is required to the enactment of a Bill?*

(ii) *If so, which of the two following possible alternatives shall be taken as the basis of the relationship between the two Chambers :—*

(a) *that the powers and functions of both Chambers shall be approximately equal ;*

(b) *that the decisions of one Chamber shall prevail over those of the other—or possibly that in some matters, e.g., finance, the right of decision shall vest in one Chamber only?*

(iii) *If the deciding voice is to be vested by the constitution in one Chamber, in which of the two Chambers is it to be vested, and on what principles is the decision so to provide determined, having regard to the composition and method of election of each?*

(iv) *If it is to be decided that the governing principle is to be equality of powers, shall the constitution provide—*

(a) *that all Bills, including Money Bills, can be introduced in, and amended by, either Chamber ;*

(b) *that the function of voting Supply shall be shared by both Chambers—presumably sitting in Joint Session, since independent amendment of Demands for Grants by each Chamber would be likely to lead to complications and confusion ;*

(c) *that differences between the two Chambers, which prove incapable of reconciliation by the ordinary methods of “reference back,” should be finally resolved (subject to any necessary provisions connected with Safeguards) by a majority vote of the Members present and voting at a Joint Session ;*

- (d) *that a Joint Session shall be composed- -*
- (1) *of all the Members of both Chambers, or*
 - (11) *of an equal number of representatives of each ?*
- (v) *Shall the decision whether or not to summon a Joint Session in any given case rest with the Governor-General, and, consequently, shall it be a matter for the Government's discretion in each case to determine -*
- (a) *whether resort should be had to Joint Session to resolve a difference, or*
 - (b) *whether the ordinary principle indicated under point (1) of this Head should be allowed to operate, with the consequence that the Bill in dispute, would lapse ?*
- (vi) *Shall provision be made for the lapse normally of an interval before the calling of a Joint Session ? If such provision were made as the general rule, shall special provision be made for the possibility in suitable cases of decision by Joint Session forthwith, e.g., in the case of the Annual Finance Bill, or in other cases of emergency ?*

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Mr. Zafriullah Khan · Lord Chancellor, I intend to make a submission only with regard to certain matters arising under sub-head (iv) of Head 3, which is at present under discussion. It relates to the question of the powers of the two Houses in regard to certain Bills, and the procedure to be adopted in the case of a difference of opinion which cannot be resolved by ordinary methods. My submission in view of what you have said as to the opportunity which will be afforded to the Committee of discussing the constituent elements of the constitution -- will be briefer than it otherwise would have been. Not knowing whether we were to discuss it under a separate Head, I had made a note under (a). As it includes all Bills, I thought that perhaps the question of Constitutional Bills would also arise. I will omit that submission to-day and, if the necessity arises, I will make my submission under the Head which you have outlined.

With regard to the Joint Session which has been outlined under (c) of sub-head (iv) I am afraid that I have to differ from Sir Tej Bahadur Sapru with regard to one matter. This is a matter with regard to which so far as I was able to follow Sir Muhammad Shafi, he made no specific submission. I am referring to the question as to whether a matter which is referred to a Joint Session shall be decided by a simple majority of votes of the Members present, or as to whether any other provision should be made. Sir Tej Bahadur Sapru said a simple majority of the Members present should suffice. I have to put forward a different suggestion. We have all agreed that the two Chambers of the Federal Legislature shall have approximately equal powers. So far as the submissions so far made are concerned, Sir Tej Bahadur Sapru and Sir Muhammad Shafi both agree that the two Chambers shall have approximately equal powers. Sir Tej Bahadur Sapru has also visualised an Upper Chamber which shall be a vital and living Chamber, and not a copy of the present Council of State. He says that we shall have a Chamber which will perform the functions which it is expected to perform. Paragraph 26 of the second Report of the Federal Structure sub-Committee (on page 21) also visualises the Upper Chamber as a body of weight, experience, and character. But paragraph 26 also tentatively suggests that the strength

of the Upper Chamber would be much smaller than the strength of the Lower Chamber. Having that in view—in case the total strength of the Lower Chamber is likely to be almost double that of the Upper Chamber—my submission would be that if, in case of a difference, a decision is to be arrived at in the Joint Session by a simple majority of the Members present, you are not giving equality of powers to this Chamber, which is to be vital and living and a body of weight, experience and character. That makes all the difference. If the strength of both Chambers were equal and all the Members of both Chambers participated in a Joint Session, I would then agree that, in case of a difference of opinion, it should be decided by a simple majority.

(Lord Sankey left the Chair, which was taken by Sir Samuel Hoare.)

Mr. Zafrullah Khan : I would in that case agree that a difference of opinion may be resolved in a Joint Session by either a vote of an absolute majority of the total number of the Members of the two Chambers, or even perhaps by a simple majority of those present. But I submit, with great respect to Sir Tej Bahadur Sapru, that the relative strength of the two Chambers makes a great deal of difference as to whether you will require a simple majority or an absolute majority, or even a higher figure, in case of a difference of opinion. A difference of opinion would arise only in case a majority of the one House is of one opinion and a majority of another House is of another opinion. It may be—except in the case of money Bills of course—that the measure with regard to which the difference has arisen has originated either in the Lower House or in the Upper House. The difference may have arisen either because the Upper House will not accept the measure as passed by the Lower House, or because the Lower House will not accept the measure proposed by the Upper House, or an amendment has not been agreed to by both Houses. Having this in view—in case eventually this Committee arrives at the conclusion that the relative strengths of the two Chambers should be as is outlined in the Report of the Federal Structure sub-Committee, that is to say the strength of the Upper Chamber about half the strength of the Lower Chamber, and in case that is the position maintained actually in the Statute—my view is that a higher percentage should be required for a decision of the Joint Session to resolve differences. And I would submit that, in that case, a majority either of two-thirds of the Members present, or of three-fifths of the total strength of both Houses, should be insisted upon. In the case of a majority of three-fifths of the total number of Members, if you have 150 Members in the Upper House and say 300 in the Lower House, you would require the support of 270 Members in favour of the measure before the measure would pass, and that is nine-tenths of the Lower House. It will be observed that, in case there is a serious difference of opinion between the Lower House and the Upper House, if the Lower House can win support for the measure to the extent of 90 per cent. of its own members and induce them to be present—because I have said that in the case of a three-fifths majority it should be a majority of the total—the Lower House would still carry the measure in the teeth of the opposition of a united Upper House. But, in that case, it would require a very large majority of its own Members in order to carry the measure.

My submission, therefore, is that, having regard to the proposed strength though I do not know whether that relative strength will be maintained—it is only consistent with the views expressed so far that the majority required should not be a simple majority or even an absolute majority of the total number of Members of both Houses, but a higher majority than that.

Dr. Ambedkar : Would Mr. Zafrullah Khan permit either Chamber sitting separately to decide upon measures by a simple majority or would he require an actual majority of the Members in that case ?

Mr. Zafrullah Khan : A simple majority.

Dr. Ambedkar : Then I do not see why they should not decide questions by simple majority when they are sitting together.

Sir Muhammad Shafi : Because there is a difference of opinion between the two Houses.

Mr. Zafrullah Khan : Very often Members are not able to see the points of view of other Members ; but one reason will be that the character of the two Houses will be different.

Sir Tej Bahadur Sapru : May I ask Mr. Zafrullah Khan to tell us whether he knows of any parallel of an absolute majority being required as high as two-third or three-fifths. It is a question of policy whether you have two-thirds or three-fifths.

Mr. Zafrullah Khan : I understand the question to be whether an absolute majority has ever been interpreted in that way.

Sir Tej Bahadur Sapru : As coming anywhere near two-thirds or three-fifths.

Mr. Zafrullah Khan : I have never said that ; but if the question is whether any constitution insists upon a majority of three-fifths before a measure can become law, I could refer Sir Tej Bahadur Sapru to several provisions in the new constitutions of the smaller States of Europe which have been formed since the War, with regard to several matters, more particularly in regard to constitutional amendments.

Sir Tej Bahadur Sapru : Constitutional amendments are different.

Mr. Zafrullah Khan : I am giving you an instance more particularly in regard to amendments of the constitution. Also with regard to other matters, in cases of difference of opinion, various percentages are laid down for the different Houses, e.g., as to referendum or in regard to Joint Sessions that may have to be held. There are instances where such a majority is insisted upon. In any case, as has so frequently been observed in this Committee, we must have regard to the peculiar conditions in India and also, as I have said, to the relative strength of the Chambers. Merely because the Committee thinks that we shall have a more effective Upper Chamber if we keep its numbers within a certain limit, it should not follow that thereby the powers of the Upper Chamber should be reduced. Supposing we came to the conclusion that the relative strengths of the two Chambers should be the same,

then Sir Tej Bahadur Sapru will appreciate that the question would assume an entirely different complexion than that of the Upper Chamber would have far more power in a Joint Session as a result of that than it would otherwise get. Therefore, my submission is that, merely because for certain consideration it may be necessary to keep the strength of the Upper Chamber at about one-half that of the Lower Chamber, it should not follow that its powers should be proportionately cut down, and that it should not carry as much weight in a Joint Session as it would have done if its numbers had been greater.

Sir Muhammad Shafi : In other words, what you say is this, with regard to the question put to you by Dr. Ambedkar—that in one case it is a difference of opinion between individuals, while, in the other case, it is a difference of opinion between the two Houses of Legislature. Therefore the two cases stand on an entirely different footing.

Mr. Zafarullah Khan : With regard to Dr. Ambedkar's question, I was in the course of explaining that the difference here is that the two Houses possess different characters. It has been desired throughout to constitute an Upper House which should not be a mere duplicate or a copy or a reflection or a mirror of the Lower House. If that is so, then we agree in principle, the moment we agree to the constitution of an Upper House, that the Upper House will be a House of a different character from the Lower House; and that it would make for the strength and stability of the constitution that it should be insisted upon that no measure shall become law unless it is assented to by both Houses. Therefore we have agreed and we consider that it will be for the good of the working of the constitution that both Houses should assent when each is considering a measure separately. If we obtained that assent by simple majorities in each House, then we would have the certainty that the measure in question had the approval of the majority in each House, be it only a simple majority of those present, those Houses having those two different characters—one being the more popular House elected directly by the voters, and the other being the truly Federal House representing the Legislatures of the British Provinces and the administrations of the States.

With regard to the question of a Joint Session's being obligatory on the Governor-General, I had originally agreed to the view expressed by Sir Muhammad Shafi; but, as has been pointed out, it is necessary that, in the case of a Government measure, the choice should be left to the Government—where a difference of opinion has arisen between the two Houses—whether they will or will not proceed with the measure. The Government should be at liberty, after gauging what support they are likely to receive in each Chamber, to decide whether they are or are not likely to carry the measure in a Joint Session in a form in which they think it will be useful. If they think they will not be able to carry it at all, or that it will be so whittled down as to be no longer, in their opinion, a useful or effective measure, the choice should be left to them to withdraw it. In that case there will be no deadlock to resolve, and it will not be necessary to call a Joint Session.

In the case of a private measure—a measure sponsored by a private Member—if such a position arose it would be left to the Member-in-charge to exercise his ordinary option of withdrawing it if he so desired, and thus

yesterday morning in regard to the present financial crisis in Great Britain, and by the appeal he made to us, the Indian Delegates on this Conference, to co-operate in every possible way in meeting this crisis. Let me assure him that this appeal has not been made in vain, and that every one of us will co-operate to the fullest measure of our ability in doing 'what we can to tide over the difficult time which may face us in India also. Speaking for Hyderabad, it is well known in financial circles how Hyderabad has always co-operated, both in our investments and even quite recently in our large railway purchase transactions. This close co-operation, which has been of benefit to both parties, will continue.

Lord Chancellor, When I spoke under Head 2, I reserved the liberty, as on that occasion I was only passing in review the subjects which came under Head 2, to add to my remarks if the subsequent discussion should demand it. I found, however, so much with which I could agree in substance 'in the speeches of my colleagues that there was no need for me to inflict myself on the Committee till we took up the discussion of Head 3. This Head, dealing as it does with the relations between the two Chambers (if there are to be two), follows logically Head 2, which dealt with the method whereby these Chambers should be elected. In considering this Head, and, in fact, all other questions that will come before us, there is vital need to keep what I may call the realities of the position always prominently before us. I think that the great majority of the speakers on the British Indian side, if I may venture to say so, did a great service to the Federal idea when they subscribed to the views which we on this side firmly hold, namely, the principle of non-interference. It was on this ground that I said nothing with regard to the question of the system of representation in British India, and the comparative methods of direct and indirect election. I do not, of course, mean that, so far as the States are concerned, they resent advice, or that they want to be unpervious to the trend of public opinion. I mean only that our partners in the Federation should leave us full freedom of decision. We desire to be neither reactionary nor unprogressive. We desire to have freedom to order our affairs in the manner best suited to the traditions of our people. Speeches like those of Dr. Ambedkar, if I may say so, do not sufficiently appreciate the realities of the situation.

Dr. Ambedkar : I have never been guilty of not appreciating realities.

Sir Akbar Hydari : As Mr. Gandhi and Pandit Malaviya (whose state-manlike pronouncements, so far as the Indian States are concerned, I take this occasion cordially to acknowledge) have realised, federation means amicable and consenting co-operation of various units for the common good. It will not do for Dr. Ambedkar to say that, unless we of the States do so and so, he will not agree to our entering into the Federation. That is not the language of business. We must remember that federation is in the interests of British India as much as in the interests of the Indian States. I will give an instance. My relations are at present with the Crown, which is paramount over me. It is because of the paramountcy of the Crown that a portion of the G. I. P. Railway runs through my territory. If Dr. Ambedkar left me out of the Federation he would not be able to travel from Bombay to Madras unless I gave him permission, for which he would have to plead with me, to let his railway run through my territory, in the same way as I allow

the Crown at present to run the G.I.P. Railway between Raichur and Wadi. Again, coming as he does, as I understand, from Baroda, he could not correspond with anyone in Bombay unless postal communication was arranged between the two places, either through the paramountcy of the Crown, or by mutual agreement between His Highness The Gaekwar and the Government of Bombay. It is for this reason that most Indian States have freedom of mails as a definite article of treaty between them and the Crown. The point, therefore, is that, for the administration of subjects which are of common concern to the States and British India, some sort of nexus is necessary. At present this nexus is the paramountcy of the Crown. In future, in those matters which are declared to be Federal, we hope that it will be the Federal Government, in which the Indian States will have their full share. Without it British India cannot administer subjects of all-Indian concern except through the Crown.

Speakers on the British Indian side, notably Mr. Gandhi and Pandit Malaviya, made a moving appeal to us on his side to introduce the principle of representation in our States. That our work should be solely directed to the welfare of our subjects, and should carry with it their co-operation in the fullest possible measure, are propositions which are axiomatic; but we are not sure whether the principle of election or the principle of selection, having regard to the circumstances in which we are placed, our traditions and our history, will best achieve this end. In this connection I would invite your attention to what I said when I spoke last that we in Hyderabad are trying in our own way to see how each vocational interest, through its own proper representative, may be brought into intimate contact with Government, so that it may have an opportunity of expressing its views, and Government of expressing their policy to it. I am, therefore, particularly grateful to the distinguished leaders of Indian opinion who have spoken in favour of giving us time to work out our ideas on this subject on our own lines, and I hope they on their side will regard this assurance in the same friendly spirit as that in which it is given.

My view in regard to question (i) under Head 3 is, that the governing principle with regard to legislation should be that the assent of both Chambers is required to the enactment of a Bill. I share with Mr. Gandhi a preference for a unicameral Federal Legislature, and it was only in deference to what we on this side understood to be the strongly held view of our British Indian colleagues that I agreed on the last occasion to a bicameral Legislature. I would, however, beg this Committee always to bear clearly in mind the content of the possible subjects within the scope of the Legislature and the best method of dealing with them, and, with this end in view, to decide on the strength and composition of the Legislature which will deal with them. It is conceded on all hands that the Units of the Federation will have the fullest possibly autonomy. The Governments of these Units in British India will be wholly Indian; they will be fully responsible to democratic Legislatures. It will be these Units that will administer finally in full and unimpaired authority the subjects which most concern the people; their land revenue administration, their police administration, their system of education, public health, their development of education, irrigation, agriculture, and so forth. The subjects which will fall within the Federal sphere will be comparatively few. They will be largely administrative and very technical in nature, such

as Communications, Posts and Telegraphs, Currency, and so on. It would therefore seem to be both simpler and more economical, without detracting in any way from its Indian and democratic character, to have these Federal subjects brought within the purview of one Chamber representing the Governments of the federating Units like the old German Bundesrat. There would, in the first place, be economy in money which is a very important consideration in a poor country like India. There would secondly be economy in the time taken for the despatch of public business, which is also an important consideration in a country where provincial representatives will have to travel long distances to the Federal Capital. There would thirdly, be economy in personnel in not denuding the Provinces of such a large number of their best and most representative men from nation-building work and making them cast longing eyes to the more spectacular environment of Delhi and Simla. It would also be simpler in so far as procedure is concerned if we had a unicameral Legislature, none of the questions under this Head 3 would arise.

These are some of the reasons for which, under Head 1, I would strive to make the Federal Legislature in any case, whether unicameral or bicameral, as small as possible, and to devise measures which I think are practicable -- which will serve, on the one hand, to satisfy the democratic sentiments of British Indian statesmen and the desire voiced by His Highness of Sangli not to be excluded from representation, on the part of the so-called smaller Indian States, whilst at the same time -- as I hope to show later on to my fellow representatives on the Indian States Delegation -- to provide a bridge for some valuable elements in the Dholpur-Pattani scheme.

If, however, British Indian sentiment -- and I would be the last person to ignore a sentiment if widely and strongly held, as was shown when last year I gave way in favour of two Houses out of deference to what I then understood was the unanimous British Indian sentiment -- remains inexorable in favour of two Houses, then I submit that the powers and functions of both Chambers should be equal. There can be no analogy between the British House of Commons and House of Lords or the Council of State and the Legislative Assembly, and the Lower and Upper Houses of the future Indian Federal Legislature. I am constrained to use the words "Upper" and "Lower" as they have been used in this debate. They are really misnomers; and, in my view, other names should be used to describe the two wings of the Federal Legislature. The two Houses will not represent one the people and the other a hereditary aristocracy, but different points of view. I do not believe in one Chamber being fashioned with the set purpose of being a stabilising influence over the other. I would endeavour to make them both equally stable. If we adopt the bicameral principle, the Upper House will presumably represent the Units of the Federation, whether they be British Indian Provinces or Indian States, and the Lower the Federation as a whole. What is necessary is that the highly technical and mainly administrative subjects, which it will fall to the Federal Legislature to consider, should be dealt with by those who can approach them with different sets of experience and knowledge. That is why I desire that such experience and knowledge should be distributed over the two Chambers so as to make them both equally important and valuable.

We must always keep before us a picture of the future state of affairs when we are discussing and deciding upon the Federal Structure. In the Provinces, there will be a complete autonomy with the responsibility of the Executive to the Legislature. It will be the Provincial Executive and the Provincial Legislature which will deal with matters affecting the day to day life of the ordinary individual. The Federal Executive and the Federal Legislature will, on the other hand, be dealing with administrative and what might almost be called technical matters. The Federal Structure need not and should not, therefore, be modelled on what the Provincial Structure may be; for the latter will be designed for purposes quite different from the former. As between the two Houses of the Federal Legislature, there will not be the same conflict of interests as between a democratic house and one representing the hereditary principle: but there will be need for adjustments between the two. I wish therefore if we are to have two Chambers—to start them on a footing of absolute equality so far as the written constitution is concerned. I would not, therefore, exclude from the Upper House the power of initiating a Money Bill or amending a Vote of Supply.

It is possible, as has happened in other constitutions, that one Chamber, owing to its greater intrinsic merit, may gain superiority over the other—the Upper over the Lower or *vice versa*; but we must leave that to time and experience and the unwritten, but no less binding, law of custom and usage. It may be that in time one class of questions may come to be vested in one House and another in the other. It may be that the Government of the day may find one House with regard to any particular question more suited for being the initiating Chamber than the other. There will be further a transitional period, as Sir Provash Chunder Mitter said, before such matters settle down as definite features of our constitution. (Question, iii), which is as to where the deciding voice is to lie, does not therefore arise.

With regard to question (iv), if the principle of equality of the two Chambers is accepted, it necessarily follows that all Bills, including Money Bills, should be introduced in, and amended by, either Chamber, and that the function of voting Supply should be shared by both Chambers. So far as Bills, including Money Bills, are concerned, that function is even now shared by both the Houses of the Indian Legislature as at present constituted. The voting of supply, however, is, I understand, at present vested in the Lower House of the Indian Legislature alone. Given equality of the two Chambers, then logically the Federal Upper House should have the power of voting supply in the same way as the Federal Lower House. In practice, also, I can see no disadvantages in this. The Federal Budget—which, by the way, will be much less complicated than the present Central Government of India Budget—can be introduced simultaneously in both Houses of the Federal Legislature. A time limit could be imposed on both, as it is now imposed on the one House, within which they should complete the voting. Following that there might be a short period which could be reserved for a Joint Session of both Houses to resolve any disagreements which may have become apparent in the course of the voting in either House. I realise that the Upper House, by refusing to pass the Annual Money Bill, could compel consideration of the expenditure policy of the Government; but that is cumbrous, and therefore not so effective as the power to vote on each item of Supply directly it comes up. I shall give a concrete example. A Member of

the Upper House might consider that there was extravagance in the opening of new postal circles. He could raise that question more effectively and more conveniently on the Post Office Vote than when the whole Money Bill came up for consideration. Refusal to pass a Money Bill would require very grave reasons before such action could be justified. The result would be that, for the sake of small but necessary economies, it would not be considered worth while by the Upper Chamber to take such a drastic step. The Budget would be introduced in both Houses by the Government of the day, and the Government, being responsible to both Houses, would necessarily have a majority in each. Occasions for difference between the two Houses would never be such as could not be resolved by the Government, which, being responsible to the Legislature, would *ipso facto* have a majority in both Houses, as I have already said. A separate discussion of the Budget Heads in both Houses, however, would make the Government better acquainted with the trend of opinion in both. It is for this reason that I would prefer the function of voting Supply to be discharged separately by the two Chambers, instead of making a Joint Session even for this purpose a normal feature of the constitution.

Coming to (iv) (c)—when a joint sitting is necessary for the passage either of legislation or of grants in the event of a difference of opinion between the two Houses, the Joint Session, in my view, should be composed of an equal number of representatives of each House. I find myself practically in complete agreement with what Mr. Zafrullah Khan has so lucidly explained in this regard. I am given to understand that, even in the present Indian Legislature, whenever a Joint Committee of the two Houses is appointed to consider legislation other than Money Bills, an equal number of representatives from each House are put on the Committee. The powers of the two Houses of the present Indian Legislature are admittedly unequal in view of the exception in regard to finance, whereas we want the two Chambers of the Federal Legislature, to have equality. All that I want, therefore, is that the present practice be continued, with this addition, that the principle of equal representation be adopted in the case of all legislation, including Money Bills.

I do not hold with the view, as I have repeatedly stated, that one House should be a check on the other. As I have made it clear in the course of my speech and my previous utterances, my preferences are for a unicameral Legislature; but if you are going to have two Chambers the composition of which reflects different points of view, then I submit that both these Chambers have an equal concern in matters of Federal taxation.

If you will look at the subjects with which the Federal Legislature will deal you will at once see that they will affect the Federal Units as whole units very intimately. Take, for example, legislation in regard to either Customs or Railways. A Federal Unit like Bombay or Madras or Hyderabad will have to examine such legislation from the point of view of its effect on the Unit as a whole, the interests of the individual inhabitants of Madras, Bombay or Hyderabad being subsidiary to and dependent on the interests of the Unit to which they may happen to belong. In this matter analogy is sometimes drawn from what obtains in other countries, and especially in those countries where unitary systems of government prevail; but such analogies are apt to be misleading. For where there is unitary government, the popular House must needs be the guardian of



the purse : whereas, under a Federal Government of India, in so far as Federal subjects are concerned, it will be for the consideration of Federal Units as a whole how Federal taxation will bear on the people of those Units, in all the departments of Government, including those entrusted directly and finally to those Units. Here again, however, we are open to argument. If our British Indian colleagues, for sufficient reasons, would have it necessarily so, we of the Indian States will be prepared to reconsider our position when Federal finance comes up for discussion. It may be that, if a scheme of Federal finance is adopted that is entirely acceptable to the States, we will agree—if our British Indian friends so insist—that differences with regard to Money Bills be resolved in a Joint Session of the full strength of the two Houses by a bare majority. This, I must make clear, applies only to Money Bills and the voting of Supply. For all other legislative purposes we want the Joint Session to be composed of an equal number of representatives from each house.

So far as (v) is concerned, I agree with Sir Tej Bahadur Sapru that ordinarily and technically the power should belong to the Governor-General, but that the Government of the day would exercise a potent voice in the matter.

The answer to question (vi) must, of course, be in the affirmative.

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H.H. The Maharaja of Bikaner : My Lord Chancellor, I will confine myself merely to making a couple of observations under Head 3, and will, when speaking later on Head 1, ask to be permitted to make a few general observations about the standpoint of the States generally in regard to the matters coming before us.

May I say, first, that the Princes and States have no desire to render the work of the future Federal Government impossible, and that they are most anxious in every reasonable manner possible to co-operate with British India and to avoid any conflict. We want a constitution which will work, where the components will be parts of a Federal whole, not divided into States on the one side and British India on the other, but members of one family, working together in peace and harmony.

In the observations made regarding Head 3, it has to be pointed out that we have yet to discuss constitutional safeguards which are matters of especial importance to the States. We have also to discuss the subjects included in the field of Federal finance ; and the views of the Indian States Delegation expressed to-day are subject to any reconsideration that may be necessary after we have dealt with these two points. Therefore, although it is hardly necessary here—still, in view of the alarm created in the minds of the Princes and States in India regarding the subjects now under discussion and other details, it is perhaps as well to add on this occasion that our views under Head 3 are also subject to two obvious guarantees, namely (1), that the Federal Government will derive its revenues by “ indirect ” taxation and will not be empowered to impose “ direct ” taxation on the Indian States or to demand any fresh contributions ; and (2), that there will be no discrimination against the States and their subjects in regard to taxation or in any other matter—a point on which I venture to think all will be agreed. I need

only say further that the States are deeply interested in the establishment of a stable and sound Federal Government.

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Mr. Iyengar : I had not any intention of intervening in this debate on the questions that are put under Head 3, because, on the footing that there are to be two Chambers, I was prepared to agree more or less totally with what Sir Tej Bahadur Sapru said would be the position of those on this side of the House ; but the issue as to whether there should be two Chambers or only a single Chamber has again been canvassed, and as there has been so much criticism levelled against the definite statement which Mahatma Gandhi made to this Committee in regard to the preference of himself, and those of his way of thinking, for having only a single Chamber, I deem it necessary, with your permission, to restate the position in favour of a single Chamber under the constitution that we have to devise for the country.

Lord Chancellor, nothing that was urged in favour of two Chambers yesterday has served, so far as the arguments then put forward were concerned, to shake the position that a single Chamber would satisfy all the purposes for which the Second Chamber was demanded and was desired. My friend, Sir Muhammad Shafi, in stating the case for a Second Chamber, which he said was overwhelming, gave only two reasons for that, as I understood it. The first reason was that he was not aware of any federal constitution in which there were not two Chambers. The second was that, in his experience as Leader of the Council of State, the Council of State had exercised a steadying influence on the deliberations of the Lower Chamber in the present Indian Legislature.

There was a third reason also which was put forward, namely, that with the cry of independence in the air in India he considered it very necessary that India should not fall into the methods of Russian democracy.

Sir Muhammad Shafi : That was not the third reason ; that was only a development of the second reason. The third reason was that opinion in all political circles, as mentioned by Pandit Malaviya, was unanimous in support of a bicameral Legislature.

Mr. Iyengar : I submit, My Lord, so far as that statement is concerned, that the speeches and pronouncements that have been made here, beginning with Mahatma Gandhi, and ending, if I may say so, with my friend, Mrs. Subbarayan, make it clear that there was no such unanimity in favour of a Second Chamber as they thought there was. As far as the question of a Second Chamber is concerned, I do not think the position could have been put in better form for the purposes of our dispassionate discussion—a discussion in which we should not be bound merely by precedents or preconceived notions—than it was put by Mahatma Gandhi. Mahatma Gandhi said this :—

“ I am certainly not enamoured of and I do not swear by two Houses of Legislature. I have no fear of a popular Legislature running away with itself and hastily passing some laws of which afterwards it will have to repent. I would not like to give a bad name to, and then hang, the popular Legislature. I think that a popular Legislature can take care of itself ; and, since I am now thinking of the poorest country in the

world, the less expenses we have to bear the better it is for us. I do not for one moment endorse the idea that unless we have an Upper Chamber to exercise some control over the popular Chamber the popular Chamber will run the country. ² I have no such fear ; but I can visualise the state of affairs when there can be a battle royal between the popular Chamber and the Upper Chamber. Anyway, whilst I would not take up a decisive attitude in connection with it, personally I am firmly of opinion that we can do with one Chamber only, and that we can do with it to great advantage. We will certainly save a great deal of expense if we can bring ourselves to believe that we can do with one Chamber."

Mr Lord, the argument that you do not find to-day any federal constitution without two Chambers is, I submit, no argument at all. The reasons why there should be two Chambers were not elucidated by my friend, Sir Muhammad Shafi, but we get them elucidated by Sir Tej Bahadur Sapru in his speech. I think his main point was that, so long as you require the representation of States and Governments as well as of the people of the States, you must have one Chamber to represent States and Governments and another Chamber to represent the people of those States. Now, all that I can say, so far as that is concerned, is that neither the Federal Structure sub-Committee when it met last year, nor the Committee this time, has yet accepted the principle that the Lower House should be constituted upon a direct adult suffrage representing the people of Indian States as well as British Provinces together. Paragraph 25 of the Report of the Federal Structure sub-Committee says this :—

"The general aim of Federal constitutions has been to provide one legislative Chamber which represents primarily all the federating units as such, often on a basis of equal representation for each unit, and a lower chamber which represents, primarily the population of the whole federal area : and in applying this plan, constitution-makers have commonly provided that the representatives of the federating units in the distinctly federal chamber shall be chosen by the Governments or Legislatures of those units, while the representatives of the population of the federal area shall be returned by some more popular form of election : it has commonly been provided further that the distinctively federal chamber should be the smaller of the two."

And this is what I want to emphasise to the Committee :

"But India's own practical needs and conditions must be the governing factors, and no constitution, however theoretically perfect, and however closely modelled upon precedents adopted elsewhere, is likely to survive the tests of experience unless it conforms to the needs and genius of the country which adopts it, and unless it is capable of adaptation and modification as the character of these needs is proved in the working. To meet these needs the federal organisation must be conceived not as a rivalry of conflicting elements, but as a partnership for the devising and efficient application by common consent of policies required in the common interest. For such a partnership the stability of the Federal Government is of the first importance."

Sir Tej Bahadur Sapru : May I ask you whether you agree with what you have read ?

Mr. Iyengar : Yes, certainly.

Sir Tej Bahadur : Very well, then, there is no difference.

Mr. Iyengar : No ; but this does not conclude the question of Second Chambers. On the other hand, I submit, My Lord, that the question as to what is suited to our needs and requirements should be answered without reference to precedents. The principal reason why in our country we want a single House of Legislature and not two Houses, is that the latter arrangement involves a needless multiplication of machinery, that it will promote conflict, and, above all, that it will inflict a needless and great expense upon the people of the country. That is the ground upon which Mahatma Gandhi very clearly stated it when he put the position :—

“ Since I am now thinking of the poorest country in the world, the less expenses we have to bear the better it is for us.”

With regard to that, I have not heard a single argument upon which we can say how this expense can be saved.

Dr. Ambedkar : But I thought last time you supported a bicameral Legislature.

Mr. Iyengar : No, I did not. I am sorry to say it, but my friend is entirely mistaken. All I can say, Sir, is that every purpose for which a Second Chamber could be devised and constituted can be provided for by adopting a single Chamber and by adopting such expedients as are necessary to provide for the purposes for which a Second Chamber is proposed to be brought into existence. On that I submit, My Lord, that Mahatma Gandhi has put the position perfectly fairly. Therefore I feel we should not go wrong if we tried the method of having one Chamber only. Make it as perfect as human ingenuity can, by all means, but be satisfied with only one Chamber. Therefore I do not think we should treat the question of adding a Second Chamber as *res judicata*, because I find that my friend, Sir Akbar Hydari, once again definitely stated to this House that he was throughout in favour of only a unicameral Legislature, and that he assented to the provision of two Chambers merely because he did not want definitely to dissent on that.

Sir Tej Bahadur Sapru : May I now whether the Congress would accept the unicameral Legislature suggested by Sir Akbar Hydari ?

Mr. Iyengar : The question whether any particular unicameral Legislature is a good one or not is dependent on the question of what the composition of that Chamber may be. So far as that is concerned the Congress is perfectly clear as to what kind of unicameral Legislature it wants. Sir Akbar Hydari's support of the unicameral Legislature was not based on any particular composition he sought to give it.

Sir Maneckjee Dadabhoy : What was the decision of the All-Parties Conference on the matter ?

Mr. Iyengar : I am going to answer that question. My Lord, I submit that, having in view the purposes for which a Second Chamber is required, namely the power of delaying hasty legislation and giving a suspensory veto on certain projects of legislation involving particular issues, and so on, it

would be perfectly possible by means of suitable provisions with regard to the method of action of a single Chamber to achieve those purposes for which it is sought to bring a Second Chamber into existence at such huge expense and inconvenience in such a great continent as India.

Sir Tej Bahadur Sapru : May I interpose for one moment ? Who is to provide the suspensory veto ?

Mr. Iyengar : So far as the suspensory veto on legislation is concerned, I am sure that in respect of certain matters we may provide that a particular proportion of the Legislature may exercise a suspensory veto.

Sir Tej Bahadur Sapru : Not the Crown ?

Mr. Iyengar : No, no. Both in the Nehru constitution, I may remind Sir Tej Bahadur Sapru, as well as in the Congress, both earlier and later, we have always provided that such a suspensory veto on legislation should be arranged for in respect of certain important communal or religious rights. I do not think, therefore, that, from the point of view of suspending or delaying action, a Second Chamber is necessary.

Sir Muhammad Shafi : Who is to exercise the veto and in what circumstances is it to be exercised ?

Mr. Iyengar : The suspensory veto will be in terms of the clauses provided in the Fundamental Rights under the Nehru Constitution.

Sir Tej Bahadur Sapru : Is it or is it not a fact that the right of veto under the Nehru Constitution is given only to the Crown, and to no other body ?

Mr. Iyengar : I am afraid my friend, Sir Tej Bahadur Sapru, is using the words in a technical sense. I am speaking of the suspensory veto in the sense that it is possible for a particular proportion of the Legislature to say that certain legislation shall not be passed because they have been given the right to stop or delay it.

Sir Maneckjee Dadabhoy : Who is to exercise that right ?

Mr. Iyengar : The people who are of that opinion.

Sir Muhammad Shafi : What do you mean by "people ?" Do you mean outsiders or Members of the Legislature ?

Mr. Iyengar : I certainly yield to my friend, Sir Tej Bahadur Sapru, so far as the use of legal language is concerned. I am not certain whether what I refer to is correctly described as a suspensory veto or not ; but I am not concerned with that. I am only concerned with making clear my own idea on the matter ; and if I cannot clothe that idea in exact legal language, such as Sir Tej Bahadur Sapru wants to give it, I must plead as my excuse that I am not a practising lawyer. I will again plead with you to deal with the question from an independent and dispassionate standpoint. We are not necessarily to be guided by what has been done previously.

The other question that I would like to mention in regard to the relations of the two Chambers is one to which the Marquess of Lothian referred yesterday in a question put to Sir Tej Bahadur Sapru.

Mr. Jinnah : I want to understand this point, Mr. Iyengar. You say that the bicameral system will be too expensive and will be a luxury for a poor country like India ?

Mr. Iyengar : Yes.

Mr. Jinnah : Let us assume that it will be expensive. What provision do you wish to be embodied which will prevent, not only any Measure dealing with communal or religious questions, but any other legislation of a vital character which, if it is passed in the midst of passion and party clash, may become law if there is no Upper Chamber ? What machinery do you provide to safeguard against the hasty passing of other legislation in such circumstances ?

Mr. Iyengar : I will try to answer that question in this way. So far as hasty legislation of a vital character is concerned, I take it that that has got to be defined very clearly in the constitution itself.

Sir Muhammad shafi : That is no answer to the question.

Mr. Iyengar : It will provide that a particular majority is necessary or that a particular block can be made against hasty legislation of that kind. Ordinary hasty legislation. - I mean, in the normal way—can always be dealt with by the powers which I presume you propose to vest either in the Governor-General or in the Crown, whichever it is, by means of which he can always send it back to the Legislature for reconsideration. That power can always exist, and I do not see why it is necessary that you should interpose an intermediate body like the Upper Chamber to perform functions which I presume you are going to lodge in the Crown.

Mr. Jinnah : Though I am not a very great admirer of the Council of State as it is constituted at present, I think you will admit that there have been occasions when the Council of State has made amendments to Bills which we passed in the Assembly, which, on further consideration, we thought were very reasonable.

Mr. Iyengar : I entirely agree, but I do not see why that function should not be performed, in so far as it relates only to technical considerations—and I believe we only accepted technical amendments for the improvement of legislation—by any Select Committee or even by the advisers of the Crown when they return legislation as being hastily or improperly drafted.

Sir Muhammad Shafi : The Crown can never be substituted for a Second House in regard to a matter like that.

Mr. Iyengar : I agree, but I consider the Upper House an impediment. That is all the difference.

Mr. Jinnah : That depends on the composition of the Upper House. If you like, when we come to the composition of the Upper House you can make it perfect, and you can make suggestions with regard to its powers. I was only trying to get at your point.

Mr. Iyengar : There is this other difficulty to which I was going to refer, and which I said was raised by something said by the Marquess of Lothian.

So far as providing that, the moment there is a conflict between the Lower House and the Upper House, there must be compulsorily a Joint Session of both Houses in regard to the matter in dispute, is concerned, Lord Lothian pointed out that, in such cases, what happened elsewhere, and what would happen in India also, was that both Houses tend to become organised on party lines, with the result that party trouble and conflict between the two Houses is accentuated. If on every occasion we find that we are going to make a majority by a combination of both Houses whenever there is a conflict, that, he said, will lead to the organisation of both Houses on a party basis from the very start, and that will perpetuate the evils that are feared. My point is that that indicates that the case for a single Chamber instead of two Chambers is not disposed of by the mere fact that we are able to resolve differences between the two Houses in the summary manner in which they have to be resolved whenever emergency legislation or financial matters are in question.

Chairman : Could you kindly help me with regard to this, because I should like to have your views. Do you envisage in the future proceedings in an Indian Legislature that there will be two parties, or do you envisage that there may be a sort of group system ?

Mr. Iyengar : I am hoping that there will be two parties. It may not immediately come about, but I hope it will come about within a very few years.

Chairman : And, in the interval, do you think there will be groups ?

Mr. Iyengar : There may be groups. As we are proceeding to devise the composition of the Legislature, there will be, I am afraid, groups for some years.

Chairman : Because the problems of Southern India might be different from the problems of Northern India ?

Mr. Iyengar : Yes, they might be different. So far as the problems of Provinces are concerned, I am sure that, whether you represent them by means of units or by means of a bloc of Members in the Upper or Lower Chamber, in a free democratic constitution members of a particular Province will try to protect that interests of the Province ; and I certainly see the point, My Lord Chancellor, which you have made, that if you are going to have a two-party system the interests of Provinces may not exactly coincide with the interests of parties, which may be divided on non-provincial lines. I see that ; but so far as I view the position of the Federal Chamber as it is now proposed to be constructed, I do not see that the question of conflict of provincial and national interests has emerged so far ; and that is why, when I discussed Head No. 2, I said that we must be perfectly clear as to what we propose to do. If we have a Federal Constitution in which the Federal Authority is going to deal with national problems and also to exercise a certain amount of control over the Provinces, which are Units of that Federation, it may be then that the question of whether the Provinces should be represented in a separate Chamber or not will rise. But, so far as present indications go, I am not yet clear why we want a Second Chamber ; and, as I

have been repeatedly trying to make out. I do not see the force of the argument that, merely because there are two Chambers in other places, therefore we should have two Chambers here, or that, merely because we find that the States have agreed to the Federation on the basis of two Chambers, we should agree to it here. As a matter of fact, I find that it is not so, and therefore I desire that on this question we should consider what are the purposes to be subserved by a Second Chamber, and see whether they could not be dealt with by suitable provisions in regard to the composition and powers of the Lower House.

(The Committee adjourned at 1-10 p.m. and resumed at 2-30 p.m.)

Mr. Iyengar : I do not think that I have very much to add. I wish to restate the case. If it is conceded that, in respect of voting Supply, it is the Lower House that should possess the power; if it is conceded that, in regard to Money Bills, the right of initiating legislation vests in the Lower House; and if, in respect of ordinary legislation, it is conceded that the moment that there is a dispute or a conflict the two Houses should sit jointly, deliberate, and settle the matter straight away – I do not see how that position differs in any essentials from having a single Chamber. Two Chambers sitting together to dispose of all these things straight away, the moment that there is a conflict, is as good as constituting both of them as one Chamber. As I pointed out, the necessary effect of that is to have party machinery in both Chambers, so that the same vote would be recorded. I find so far that no particular purpose has been stated that could be served by the Second Chamber which the First Chamber would not serve. As I say, this proposition to have a Joint Session straight away really amounts to the proposition that both Houses should be virtually constituted into a single Chamber for all purposes.

The last thing that I want to say, My Lord, is this. Much has been said about the fact that all federal constitutions possess Second Chambers. I do not think it can be said that the experience of Second Chambers in federal constitutions has been as successful or as clear as would justify us in repeating it or as should prevent us from exploring other methods to secure what has been appropriately described in the Report as stability. There are other ways of finding it, and I do not see why we should be hide-bound by precedent. But, speaking on actual experience, I desire to quote the authority of two distinguished German constitutionalists, who have summarised the position in regard to the functions of a Senate in federal States in the following terms :—

“The institution of a Senate in the constitutions of federal States, as just described, has failed utterly. No State has been successful in constructing a body representing the federal element in a pure and therefore effective manner. The fault lies in the fact that nowhere have the States forming the Federation been entrusted with co-operation in the work of the Central Government. In all cases the Second Chambers have been made directly or indirectly representative of the parties in the States, who are already enabled to send their representatives to the Chamber of Representatives.”

I do not want to add to what I have already said, My Lord. I have only pleaded that, while we are open to argument, we feel that a Second Chamber

is a luxury, and a very costly luxury, in the case of a poor country like India. That is all I have to say.

Suspension of Gold Payments in the United Kingdom.

Mr. Gandhi Lord Chancellor With reference to the very careful statement made by the Secretary of State yesterday, and in view of the wholehearted support given by Sir Akbar Hydari to the proposals contained in the statement, I feel it to be my duty on behalf of the Congress to state its position.

Every thoughtful Congressman must sympathise with the British Nation in the crisis that has overtaken it; but I would be false to my trust if I did not express my surprise and sorrow over the manner of the action taken in India. I recognise my limitations; my acquaintance with financial matters is of a very elementary type. I must therefore, leave the merits to the Congress experts for examination. But what pains me is the fact that the decision in India was taken over the heads of the Legislatures, such as they are, and that especially when in this place, we are expected to contemplate a nearly establishment of full responsible government. This step taken by the Government of India is a striking and, in my humble opinion, unmistakable proof of the unbending and unbendable attitude of the Government of India. Evidently, on matters of the most vital importance to the Nation, we are not yet considered fit to be consulted, much less to decide what is good for us. This is a view I must repudiate with all the strength I can command; and, in the circumstances, so far as the Congress is concerned, I am sorry I am unable to give the support which the Secretary of State asks for the measures taken in India.

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Mr. Gavin Jones :

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As regards the voting of Supply, I am in favour of clause (iv) (b) in your questionnaire; and I support Sir Akbar Hydari in this—that the function of voting Supply shall be shared by both Houses sitting in Joint Session.

If these proposals are adopted, Sir, then, and only then, I think both Houses will have equal powers. There are one or two other provisions which I think should be entered in the Act, which would help the smooth working of Finance Bills and improve the stability of finance :—

(1) The Executive alone should have the power to introduce Money Bills.

(2) That all Bills of expenditure should be introduced with a statement showing expenditure and proposed sources of revenue.

(3) That both expenditure and taxation, as budgeted in the previous year, shall stand unless amended by the Legislature.

That is all I have to say, Sir.

Head 3 (resumed).

Sir Tej Bahadur Sapru : I am sorry, I do not wish to prolong, because, after hearing the views of Mr. Rangaswami Iyengar and Sir Gopal Tej Bahadur Sapru, I am not sure that I can add anything to the discussion on this topic. I wish to confine myself to two small questions only: (1) as regards the necessity of having an Upper Chamber, and (2), as regards the necessity of having a two-thirds or three-fifths majority, or even an absolute majority of the two Houses, in passing Bills in a joint session. These are the two points on which I want to speak just for a few minutes.

As regards the necessity of an Upper House, I was somewhat surprised to hear the remarks of my friend, Mr. Rangaswami Iyengar, consequent as they were upon the remarks made by Mahatma Gandhi. This is eminently a case, Sir, where one can say that extremes have met—the extremes being the view taken by our esteemed friend, Sir Akbar Hydari, who also requires one Chamber, and the other view taken by the most extreme school of politics, if I may say so without offence, namely, that represented by my friend Mr. Rangaswami Iyengar. Although they may appear to be alike, when you go deep down to the bottom you find that their views are absolutely apart. The reasons upon which Sir Akbar Hydari based his predilections for one Chamber were these. He says he wants one Chamber, and not two Chambers, because he wants a House as small as possible which will represent the Governments of the Provinces.

Sir Tej Bahadur Sapru : And the States ?

Mr. Jayakar : Yes ; I think I am quoting fairly the gist of his comments. He said the House he envisages is a small Upper House representing the Governments.

Sir Muhammad Shafi : Only one House ?

Mr. Jayakar : One small House representing the Governments of the Provinces.

Sir Tej Bahadur Sapru : And the States ?

Mr. Jayakar : Yes. And, as far as Mahatma Gandhi's view is concerned on which Mr. Rangaswami Iyengar's remarks were based—I am again quoting, and I think I am right in this quotation—he said : “ I have no fear of popular legislation. I am prepared to trust it. I do not think it will run away with the bit in its teeth. No control, therefore, of a popular House is necessary.” These are the two grounds on which these two views, which would appear to have a seeming affinity, have been put before the Committee. If I may say so, both these views neglect an important principle which is consequent upon federation. Federation, if it is to be at all real, must secure two ends. It must give representation to the citizens of India in their individual capacity and also in their corporate capacity. I think that is an axiomatic truth when you come to look into the requirements of federation. Individual representation means what one may paraphrase as direct election.

Sir Tej Bahadur Sapru : Popular election.

Mr. Jayakar : Or popular election. Representation in their corporate capacity will be through the Councils of the Provinces or through the Indian

States' Governments. Unless both these points are secured, the idea of federation will be incomplete. Now I want the Committee to consider this question : Is it possible to combine in one Legislature both these kinds of representation—popular representation, where every citizen of India would have a right to select his own representative for the Legislature ; and the Governments of the Provinces and of the Indian States, selecting their own representatives as representatives of the Governments in their corporate capacity ? It would be a very interesting political experiment, Sir, if a House could be devised where representatives selected on these two different principles could sit and deliberate. Speaking for myself, I should have no objection to a unicameral Legislature—if this almost impossible experiment could possibly be made—in which both these kinds of representatives could sit.

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HEAD 1.

STRENGTH AND COMPOSITION OF THE FEDERAL LEGISLATURE.

The following points for discussion in connection with this Head were drafted by the Chairman :—

- (i) *What is to be the total strength of the Lower Chamber ?*
- (ii) *What is to be the total strength of the Upper Chamber ?*
- (iii) *On the assumption that all the Indian States accede to the Federation at the start, on what basis is the apportionment of the total number of seats between the States and British India to be made—*
 - (a) *in the Lower Chamber,*
 - (b) *in the Upper Chamber ?*
- (iv) *On the assumption that, at the outset, some States decline to enter the Federation—*
 - (a) *on what principles is the voting strength of the States in each Chamber to be determined from time to time, until such time as all the States become Units of the Federation ?*
 - (b) *To what minimum extent must the adherence of Indian States be secured in order to justify the initiation of a Federal Constitution ?*
- (v) *What is to be the apportionment of the British Indian seats between the Provinces inter se, and on what principles is it to be based—*
 - (a) *in the Lower Chamber,*
 - (b) *in the Upper Chamber ?*

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I should like, Sir, before proceeding to state the views of the Indian States Delegation generally on the various questions under Head 1, to ask for your indulgence and that of my colleagues, if I take a little time in making certain observations of importance to the States. I must apologise for taking up your time, but I hope and believe that our discussions on this and future occasions will be curtailed if the standpoint of the States is appreciated. It will also, I believe, help to shorten speeches on this side in the future.

I seriously considered making such a statement earlier in our deliberations ; but, apart from my reluctance to intrude unnecessarily, I had hoped that our close association of last time with our British Indian friends had rendered such a course unnecessary. With, however, some new colleagues—whom we are glad to see amongst us—it was perhaps inevitable that, in regard to some points, we should at some time or other have to traverse more or less over the same ground as we did last year. May I say straight away also that any reasonable and feasible suggestions coming from any responsible British Indian leaders will, of course, receive the fullest consideration of the States Delegation and of the Princes and States ; but I would ask some of the speakers we have heard lately to bear in mind that, in view of certain vital considerations, it is not fair to place any one of us in the States Delegation in the unpleasant position of having to say “ No ” to certain proposals such as those that have been made to us. I need say no more in my own words. No less eminent a leader than Mahatma Gandhi has stated as his opinion that no one has the right to dictate to the States what they should do or what they should not do—a point which I emphasised before expressing the States Delegation’s view on the questions under Head 2. As emphasised also by certain British Indian leaders, including Mahatma Gandhi, there must in all matters between British India and the States be a spirit of reasonable give-and-take. Without it, to quote once more from the Mahatma’s words, “ we shall not be able to come to any definite scheme of Federation, or if we do, we shall ultimately quarrel and break up.” Above all, the co-operation of the States must be whole-hearted, which can only be secured by their willing consent and not by dictation or coercion.

My Lord Chancellor, I cannot help thinking that some of the proposals and statements and demands would not have been put forward had there not been a certain lack of knowledge as regards the conditions, sovereign status, Treaties, and rights of States, their relations with the Crown and their internal affairs. I take the liberty of stating that the ideas of some of our colleagues would undergo a considerable change if they came into closer touch with us and were able to acquaint themselves with facts at first hand by visits to our States. And I take this opportunity of cordially extending an invitation to such gentlemen to visit Bikaner as the guests of my State and of myself, and to travel over its length and breadth, preferably on our tships of the desert, the camel. I make bold to predict that, by such visits their eyes would be opened, and that they would then correctly realise that the relations happily existing between the Rulers and the ruled—the vast majority of the Princes and their governments on the one hand and the subjects of the States on the other—are totally different from what may be their present conception, or as some papers and persons have tried to paint, them. May I say also that it was particularly gratifying to us to hear from the lips of Mahatma Gandhi that he knows and feels that the Princes have the interests of their subjects zealously at heart.

In the words of some of those gentlemen who have attempted to prescribe to the States in regard to various matters, it was, I think, admitted that logic and politics do not always go together. Idealistic principles are not always reconcilable with what is attainable. Certain things are obviously not within the range of practical politics, nor in accordance with the sovereignty of the States and the conditions prevailing therein. And it is

impossible for the States in all things to accept a uniform practice and procedure with British India, whether in the field of Federation or in other directions—if for no other reasons, at least on the ground of the diversified conditions amongst the States *inter se*. If impossible conditions are proposed, it is obviously out of the question for the States or the Princes to accept them; and I venture to add that, not only the vast majority of the States, but also the vast majority of the population and subjects of the entire Indian India, will share the same view. Even if we would, we could not possibly accept any impracticable propositions which would not be accepted by the States, and their Rulers and governments, as a body. It therefore follows that the decision in certain matters—and I emphasise the words “certain matters”—must, in the very nature of things, be left primarily, and essentially, and solely, to the individual government of the State concerned, or for the States to settle amongst themselves.

My own personal views in regard to matters such as those of sending representatives from the Bikaner State to the Federal Legislature have already been made clear; and, in view of the conditions happily prevailing in my State, I and my government are in no way opposed to our Legislative Assembly having in some way or other a voice in the selection of our representatives. Indeed, I welcome that. His Highness of Bhopal has similarly made that point clear. For the rest, and in the natural solution of such problems, time, evolution and the conditions prevailing, and above all public opinion in our States, will be important factors.

Reference has been made to the German and other federal constitutions of States or Dominions, which will not be of much avail to us here. The States do not keep before them the old German or any other constitution. They have, as has been made clear repeatedly from the beginning of our present deliberations and in the past, kept before them the position of the States, which is without its parallel in history. Need it once again be emphasised that we have to evolve a special Federation to meet our unique conditions? In Germany, I believe it is beyond dispute that all the federating German States were sovereign all along. This is not so in regard to India, where the States are already sovereign and autonomous and British India and its Provinces are at present not sovereign. It is upon the sovereignty of the States and their right to exist, as one of the two great entities in India, that the States make their firm stand.

My Lord Chancellor, before we came here last year, it was at one time suggested that the Princes and States should come under the head of the most important of the “minorities” throughout the length and breadth of India. It is, however, on much stronger grounds and claims, and on irrefutable and undisputed constitutional and historic facts, that the States base their claims. They stand on their sovereign status and powers, and on their Treaty and other rights, as already stated. In these circumstances, as has been admitted by some of the critics of the scheme as evolved by us, no other federal constitution can form any precedent or analogy. We have in the past tried to meet British India as far as possible; indeed, some amongst us think that we went too far. We have met you as far as is practicable and safe for the States. We shall continue to do so in every reasonable manner possible. But pray remember that all of us, at the best of times, are of a conservative frame of mind, and that there is already a

certain amount of alarm and suspicion which we have to overcome in our States, and that there is a limit beyond which it will be impossible for the States and the Princes to go.

It hardly needs repetition that the States cannot, therefore, be coerced or driven into federation. The Treaties of the States are with the Crown, and they can enter into a federation only through another Treaty with the Crown, on receiving adequate and effective guarantees from the Crown ensuring to the States their existence as one of the two great entities of India, and ensuring the continuance of their sovereignty and their Treaty and other rights except in so far as these may mutually and voluntarily, by agreement between us here, have been delegated to the Crown for the specific purposes of federation, and on the specific understanding that such delegated sovereignty will be shared by the States with British India equally in the Federation, including—I do not emphasise the word “equally” here—including the Legislature and the Executive.

I have repeatedly been asked whether the States will come into the Federation. My faith in federation remains unaltered; and I consider that federation is the only alternative which will help India at this present juncture. But if I am asked at the present moment to say whether the States will come in, I can only say that I very much hope that that will be so, and that we are going to do our best to secure that very desirable end. So far as the States are concerned, the position can be summed up, as I have repeatedly said in the past, in these terms. The crux of the question to my mind is that, when the Princes and States last year were invited to join a federation, they generally and gladly expressed their willingness to consider the question on terms of equality with British India, and even to make some sacrifices on the conditions mentioned. Provided, therefore, that the remaining principles and details are dealt with as satisfactorily as have the various questions discussed so far—taking on the whole, both the last Session and the present Session—and provided that the Princes, through essential provisions, feel that their future existence, and the sovereignty of their States, big and small are not threatened, I am as sure to-day, as I was when we met the last time, that the great majority of the States will join the Federation. Otherwise, of course, no Ruler who stands as a trustee of his State and subjects, and the custodian of their rights, will be a free agent to enter the Federation. If we are asked, however, to agree to any proposition which is tantamount to the disruption of the States, big and small, either now or in the future, we can best reply in the words of Sir Austen Chamberlain. I would beg our friends who have criticised the past scheme to bear in mind the words Sir Austen Chamberlain addressed to the League of Nations not so very long ago when faced with proposals detrimental to the solidarity and well-being of the British Empire. He said :—

“You do not know what you ask us. You are asking nothing less than the disruption of the British Empire. I yield to no one in my devotion to this great League of Nations; but not even for this League of Nations will I destroy that smaller but older League of which my own country was the birth-place and of which it remains the centre.”

Great and sincere as is the devotion of the Princes to their Motherland, and ardently as they desire to co-operate with British India in assisting in India's progress towards Dominion Status as an independent, honoured, and equal

Member of the British Commonwealth of Nations, and willing as they are even to make reasonable sacrifices in this direction, it will, I am sure, be realised by many of our friends on the other side that it would be both unreasonable and impossible to expect the States to agree to any proposals which would in effect lead to their disappearance and the loss of their important sovereign rights or the individual entity of their people. Such would be a betrayal of the trust that they have inherited and of the mandate that they have from their brother Princes.

One of the speakers spoke of the States coming in for selfish reasons, whilst it was also stated that the real gain to the Princes from federation was entry into the Federal Executive Government. Ideas differ. Rather it is considered a sacrifice on the part of the States. The two essential conditions precedent to entering the Federation are, as already stated, the safety and integrity of the States, and adequate safeguards or guarantees. But what of the gain to British India in unity, stability, experience, and especially in defence from the martial traditions and the fighting races of which the States can legitimately boast? We were told that certain matters are not for the States to decide but for the Federal Structure Committee. We have been incorrectly told that the Princes have agreed to join the Federation, and that they have agreed to accept interference by British India in certain domestic affairs, if I understood it rightly. To the second point our answer must definitely and inevitably be "No." To the first, it has been abundantly clear that, whilst the Princes and States have expressed their willingness to consider entering the Federation, this is not without qualification, but is based on certain essential conditions. Similarly we have made it clear in the past that the States are not agreeable to accepting common criminal or other laws and legislation.

So far as the representation of the States in the Federal Legislature is concerned, and subject to what I have since stated, may I be permitted to quote the legal language used by Your Lordship last year, namely, that the States' duty will be to deliver their representatives in good order and condition? There has been a talk of divided mandates between the representatives of the States and of British India. There is no question whatsoever of States forming a solid bloc to oppose British India. Most of us on this side have not the slightest doubt that, for the most part, the representatives of the States and British India will vote almost entirely on regional lines. And may I also state that the Upper House need not necessarily be a conservative body as in the India of to-day? It would represent the views of the various governments. The only points of conflict that I can conceive between British India and the Indian States are these:—(1) if there is a proposal to break away from the Empire, which the scheme under consideration for India's being placed on a footing of equality and partnership with other parts of the Commonwealth happily renders it unnecessary to touch on; (2) if the very existence of the States were threatened, or there were any danger to the existence of the States or any desire to encroach upon the Treaty and other sovereign rights of the States, except in so far as may be willingly and mutually agreed upon—on which point too I decline to believe that any serious proposition of that kind can be put forward on the part of the majority of our British Indian friends; (3) there are fiscal and financial matters regarding which we hope that, by previous fiscal enquiry as well as

the discussions which will take place here, all such matters will have been satisfactorily settled before the States enter into the Federation, and on which matters we demand, in fairness to the States, mutual satisfaction on all such points.

May I, in the interests of India, and of the federal scheme which I have so much at heart, express the earnest hope that we shall not hear any more, from any gentleman, of the States being permitted to exist only under certain conditions. I do not think I need say more on that point except that this would involve a violation of the sovereignty of the States by force, and that their Treaties should be torn up, involving also a breach of faith on the part of Great Britain. I decline to believe that the doctrine of Treaties being regarded as "scraps of paper" could ever be accepted by the great majority of the British Indian leaders. I need only say that any such remarks are apt to lead to the forfeiting of the general sympathy of the States and Princes as a body in all matters in which we are desirous that we should work in close harmony and co-operation with our British Indian brethren.

Sir Maneckjee Dadabhoy : Maharaja, as far as I am aware, nobody on this side or in the Committee has alluded to that matter at all.

H.H. The Maharaja of Bikaner : I heard a gentleman say that, if the States wish to exist, they can only do so if they federate—or some words to that effect ; but we will pass over that matter.

It will be recalled that when, at the first Plenary Session of the Round Table Conference on the 17th November, 1930, the Princes and States were invited by British India to join a Federation and to visualize an India which will be one single whole—each part of which may be autonomous and may enjoy absolute independence within its borders, regulated by proper relations with the rest—our response was as sincere as it was spontaneous. It was my privilege on that occasion, at the request and on behalf of my brother Princes, to state that, whilst the final answer must obviously depend on the structure of the Government indicated and on other points involved (such for instance, as certain necessary Safeguards—constitutional and fiscal—which we regard as of vital importance to the protection of the rights and interests of our States and of our people), the Princes would only come into the Federation of their own free-will and on terms which would secure the just rights of their States and subjects. I mentioned two essential and broad conditions upon which the States were ready to consider entering the Federation :—(1) that India retains the British connection as an equal partner in the British Commonwealth of Nations ; and (2) that an equitable agreement is reached between all the parties concerned to govern the relations of the two Indias, ensuring for the States their due position in the future constitution as co-equal partners with British India, guaranteeing their Treaties and internal sovereignty, and safeguarding their interests, including those of their subjects, on terms just and honourable alike to the States and British India. Amongst other important details in this connection I need only invite attention to what I said on that occasion about "Paramountcy," and I will deal later similarly with the important question of the Federal Court. It has thus been made abundantly clear on many occasions that, as the States demand freedom from interference in their own internal affairs, equally do they desire to refrain from interference in the purely domestic

affairs of British India, and that the States can only come in on terms of absolute equality with British India—not in a position of subordination or inferiority, but as equal partners in the Federation. I equally clearly stated that any idea of the States desiring to dominate over British India was totally foreign to our thoughts and our plans. On the other hand, it will be generally agreed that we are equally entitled to ask that the States should not be dominated by British India or anyone else, which would be totally opposed to the basic idea of any true federation. At the same time, the State must take care to safeguard that the Federal Executive does not encroach upon the sovereignty and Treaty rights of the States, or interfere in matters, or have a voice in questions, other than those which may specifically and voluntarily and mutually be agreed upon and accepted by the States.

As regards the vote of censure, I made it clear, Sir, last year, on behalf of His Highness of Bhopal and myself—keeping in view the list of Federal subjects as drawn up at present, and subject to a fair and just and equitable settlement of the question of the number of State representatives in the two Federal Houses—that the Indian States would, we thought, be perfectly content, as regards the percentage of the majority in throwing out the Federal Government, to leave this point to be settled by British India with the Crown. But, in regard to the Executive, any votes of non-confidence, likely to result in the overthrow of the Federal Government, would obviously be a matter of great importance to the States; and if the States are invited to join the Federation it would be out of the question for them to sit still and to have no voice at all in the overthrow of the Executive and in Government changing hands repeatedly, as they do in some of the Continental constitutional countries, since they are directly concerned with a sound and stable Government and with continuity of policy as far as possible in regard to matter of common concern to British India and the States.

At the same time, whilst therefore it is essential that the subjects, or representatives of the States must also in no way be debarred from being members of the Federal Executive Cabinet, I submit that the right standpoint is for such members, while they are Cabinet Ministers, to forget that they represent British India or the States, and not to attempt to look at any question coming before the Federal Government from the purely British Indian or the Indian States' standpoint, but to view all matters coming within their purview from the standpoint of all-India, its honour and its welfare, and with due regard to the legitimate rights and interests and claims of the two entities.

I would now invite the attention of my colleagues to the mandate which we on this side have received from the Chamber of Princes and the Rulers of the Indian States when the provisional decisions taken at the first Session of this Conference were subjected to a close and prolonged examination by body which speaks, so far as any corporate body can, for the Princes and States as a whole, namely, the Chamber of Princes. The first resolution passed by the Chamber in March last was as follows :—

“This Chamber places on record its high appreciation of the single-minded devotion and statesmanlike ability with which the representatives of the States, both Rulers and Ministers, represented the States at the Conference, and supports in principle the scheme outlined at the Round Table Conference, which, while laying the foundations of a greater

India, aims at securing to all parties in the country their legitimate cherished rights beyond risk of future encroachment."

The following is the second resolution adopted by the Chamber of Princes, on the motion of His Highness of Dholpur :—

"This Chamber authorises its representatives further to carry on discussions and negotiations with due regard to the interests of the States and subject to the final confirmation and ratification by the Chamber and each individual State."

I will not touch at length upon certain resolutions passed by the Princes at a meeting of our own which precedes the formal session of the Chamber of Princes, where we design to obviate and aim at obviating as far as possible ventilating in public any differences of opinion amongst ourselves. Even the resolutions passed in the Chamber of Princes are subjected to a thorough scrutiny, though of course all the Princes individually cannot be bound beforehand as to their views on such resolutions. Amongst the resolutions passed by the Princes at their own meeting, a day or so before the Chamber of Princes met and passed the two resolutions I have just quoted, were resolutions which attached importance, naturally, to the sovereignty, internal autonomy and independence of the States being safeguarded, and to an equitable adjustment of fiscal matters. The Princes were asked by the resolution to agree that the representatives of the Chamber of Princes at the Round Table Conference should negotiate, with a view to securing individual representation in both the Federal Chambers for the States enjoying full or practically full powers.

Now, Sir, before coming to the question of qualifications, I should like to say one word about another matter. A reference has been made to there being something like 570, or some other number of States; and I think it has been said that some States, with a revenue of Rs. 20, would also ask for individual representation in the future Federation. I can only say that this again represents a sad confusion of thought with regard to the position of the States possessing sovereign powers and that of the minor or lesser States, talukdaris, jagirs, etc., in our Indian States territory. As was made clear in my speech in this Committee on December 5th last, on behalf of our Delegation, "the component elements of the Federation would be (1) on the one side, the States, through their representatives, chosen by the governments of their States; and (2) on the other side, British India." One of the important details which no doubt will come up for discussion between the States, under the presidency of the Viceroy—whose friendly offices we feel we can always rely upon—will be to prescribe some test for the claims of States for individual entry into the Federation, and this leads me to deal with the question put to us.

Let me point out to you, Sir, that this is no new question. As anyone acquainted with the history of the States and the institution of the Chamber of Princes will know, this is a case of history repeating itself. Alarms and jealousies were very naturally created some ten or twelve years ago, when we were dealing with the constitution and membership of the Chamber of Princes. Similar alarms have been raised to-day, though from different causes and for different reasons, in regard to the individual entry of the States into the Federal Legislature. In regard to the membership of the Chamber of Princes, the essential qualifying tests prescribed, with the

consent of the States and after mature consideration and approval by His Majesty's Government and the Viceroy, are:—(1) Rulers of States who enjoy permanent dynastic salutes of eleven guns or over; and (2) Rulers of States who exercise full, or practically full, internal powers such as, in the opinion of the Viceroy, qualify them for admission to the Chamber of Princes. This, I think, answers the queries put to us; and I would only add that no man in his senses has proposed, or could propose, that small units of Indian States territory, with revenues of Rs. 20, should enter the Federal Constitution individually as sovereign States.

Sir, I am afraid it is a little late; but, if I am not out of order, before concluding my general remarks, I should like to say that I did not deal with the question in the beginning, because I wanted to hear the views of our British Indian friends. But should any special seats be reserved for any important special interests in the constitution, it is my duty to urge the claims of the important Indian mercantile community, known popularly in India as the Marwari community, large numbers of whom come especially from Bikaner and from our next door friendly neighbour, the Jaipur State.

Now, Sir, before giving you the views of the Indian States Delegation on Head 1, I shall like to appeal strongly for greater trust and confidence in the States. Trust, as we know, begets trust, and it is only by having confidence in one another that we can make real progress. I think we can fairly claim that the very fact that the Princes agreed to consider British India's invitation to enter into Federation, and that they are still proceeding with the matter, is a practical proof of their having confidence in all men of reason amongst our British Indian brethren.

Before the last Conference assembled, and long before that, it was freely alleged in certain quarters that the Princes were entering into an unholy conspiracy with the British and Indian Governments in order to hinder the advance of British India towards her legitimate goal. When that libel was, happily, finally disproved last year at this Round Table Conference, other motives were assigned to the willingness of the States to enter into the Federation. I appeal no less for acceptance of the idea that, if the constitution is satisfactorily evolved, and if the States feel safe and confident of their security, in entering the Federation, we shall, in the words of Pandit Madan Mohan Malaviya, have an India united even though divided in certain aspects; and the association of British India and the States leading to as great and abiding and mutually beneficial a co-partnership as was so eloquently pictured by Mahatma Gandhi when visualising a similar partnership between Great Britain and India. This idea I have for years thought of and worked for, and still confidently hope for.

The States Delegation's view in regard to the questions under Head 1 can be very briefly dealt with. I shall not attempt at this stage to make any remarks, though I shall be glad to explain at a later stage, if desired, the reasons for these views.

In the view of the States Delegation, the total strength of the Lower Chamber should be 350 and that of the Upper Chamber 250.

Chairman: Would it be possible for Your Highness to deal with the next question on the assumption that all the Indian States accede to the Federation at the start—on what basis is the apportionment of seats to be made?

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H.H. The Maharaja of Bikaner : Yes, I come to that. We, after taking everything into consideration, were originally inclined in India to ask for a little higher number in the Lower House ; but, as we are not here to try and secure bargaining points, and so on, we thought we should try and put down what we think is likely to command general acceptance by the States, and in the Lower House we want a representation of $33\frac{1}{3}$ per cent. and British India $66\frac{2}{3}$: and in the Upper House 50/50.

Chairman : Now come to the next question—

“ On the assumption that, at the outset, some States decline to enter the Federation—(a) on what principles is the voting strength of the States in each Chamber to be determined from time to time, until such time as all the States become Units of the Federation ? ”

H.H. The Maharaja of Bikaner : Our idea is that other States entering the Federation—and, of course, there is nothing to debar any State individually entering the Federation (for instance, if I want to enter the Federation, even if other States do not, I can do so)—that other States entering the Federation should have extra seats, and that it should be clearly laid down that they will make room for the other States that later join the Federation.

Sir Maneckjee Dadabhoy : Some of us did not follow that.

H.H. The Maharaja of Bikaner : That States entering the Federation for the time being have the extra seats, and they will automatically, by provision and rules, make room for other States as they federate.

Sir Maneckjee Dadabhoy : Is that in addition to the $33\frac{1}{3}$ per cent ?

H.H. The Maharaja of Bikaner : No ; according to the other proportion we agree upon.

Sir Samuel Hoare : May I get that quite clearly in my head ?

H.H. The Maharaja of Bikaner : We are asking for 125 seats. Supposing only 75 per cent. of the States enter, then those 75 per cent. should have the proportion of the States' seats allocated in excess of what may be settled for each State individually ; and they will reduce their seats as other States come in. The States should have their full proportion in the House.

Sir Samuel Hoare : You mean, then, Your Highness, to put it into a concrete sentence, that in the Upper House, assuming you have your 50 per cent. of the representation, whatever the number of the Princes who have entered, your voting power should be half the voting power of the Assembly ?

H.H. The Maharaja of Bikaner : Yes. Of course, that is based on the assumption that, as we hope, a large majority of States will come in.

Sir Samuel Hoare : I also would accept the assumption ; but I just wanted to be quite clear what your proposition was.

H.H. The Maharaja of Bikaner : Yes.

Chairman : But supposing, merely for the sake of argument, that you

were to have a 100 seats, and they were to have a 100 seats, and that at the beginning you had only 70 coming in, the 70 would have the 100 votes ?

H.H. The Maharaja of Bikaner : That was the idea, yes.

Chairman : Now, the next question is this :—

“To what minimum extent must the adherence of Indian States be secured in order to justify the initiation of a Federal Constitution ? ”

H.H. The Maharaja of Bikaner : Well, Sir, we discussed this question once, and in consultation with His Highness the Chancellor since then we have come to the conclusion that we would rather deal with this matter at a later stage, if that is possible, because some of us have doubts ; but may I first ask a question of you, Sir, to put it the other way round ?

Chairman : Certainly.

H.H. The Maharaja of Bikaner : What is meant by that—numbers or population ? What is meant exactly by this question ? What is the test you are thinking of ?

Chairman : May I just tell you. I am, as it were, thinking aloud now, and I am not expressing any view or any decision or anything like that. But, for example—merely for the sake of argument—if only one State, with two square miles and three people and four rupees of revenue came in, obviously that would not do. On the other hand it may be—I am not making any decision—that, in answering that rather difficult question, you might have a number of question to consider. You might have a number of questions to consider. You might say, “What is the total population of the States ? What proportion of that population is coming in ? ” Then you might say, “What is the total area of the States, and what proportion of that area is coming in ? ” Then you might say, “What is the revenue of the State ? What proportion of that revenue is coming in ? ” And now I am going to tread upon very delicate ground—that is to say, there may be some States which, although perhaps they have not the same revenue as other States, or the same area, or the same population, have considerable prestige.

H.H. The Maharaja of Bikaner : All that is very important.

Chairman : For example, I have a list of the States which I have been working at last night and this morning, which I will show you later on. I have come to the conclusion, in the table I have got, that of salute States there are 120. Some of those have 21 guns, some 19, and so on ; and, with regard to non-salute States, there are 458. Therefore, putting together those four things—I am not saying they are the right things to put together—(1) population, (2) area, (3) revenue, (4) prestige, I am only just thinking how far those would bear upon the consideration of the question. But, by all means, Your Highness, do not answer that question now. It is one that wants consideration.

H.H. The Maharaja of Bikaner : I should like to deal with that ; and, if I may, I should like later on, at any time you call upon me, to put forward certain points which have a very direct bearing on the representation of the

States. For instance, there is a problem amongst us, not only of the bigger States, but important States in many ways, possessing sovereign rights, which are known, comparatively speaking, as the smaller States—and this is certainly a point of very great importance to the whole Order of Princes and the entire body of States—particularly, of course, to this category of States—which I have to bring forward. And similarly with it are inter-linked the questions of the salutes and the Treaties and all those points. Perhaps, if we may, you would allow us to have a little further discussion amongst ourselves on these points before I answer question (iv).

Mr. Joshi : Just for elucidation ; His Highness proposed $33\frac{1}{3}$ per cent. and 50 per cent. as the proportions of seats for the States. Does he include the States and the Jagirdaris ?

H.H. The Maharaja of Bikaner : It includes the entire territory which is known as Indian States territory, or the other entity in India known as Indian India.

(The Committee adjourned at 4-25 p.m.)

PROCEEDINGS OF THE TWENTY-EIGHTH MEETING OF THE FEDERAL STRUCTURE COMMITTEE HELD ON THE 23RD SEPTEMBER, 1931, AT 11 A.M.

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Sir Akbar Hydari . My Lord Chancellor, I shall proceed at once *seriatim* with the order of the questions which you have embodied under Head 1. With regard to sub-heads (i) and (ii), as to the strength of the Upper Chamber, I should like to read the decision that we came to in the last Report of the Federal Structure sub-Committee (page 21, para. 26) :—

“ But proceeding simply on the basis that there will be two Chambers, the Upper smaller in size than the Lower, and without any decision as to the relations of one to the other, the balance of opinion was to the effect that the Upper Chamber—which might be described as the Senate—of the Federal Legislature should be a small body, of from 100 to 150 members. ”

The sub-Committee's Report in regard to the size of the Lower Chamber was as follows (page 22, para. 30) :—

“ The trend of opinion as to the size of the Lower Chamber was that it should consist of approximately 300 members, thus providing roughly one representative for each million of the inhabitants of India. On the other hand the view was strongly expressed that the requirements of efficiency would not be met if the Chamber were to exceed 200 as a maximum. The sub-Committee as a whole recognise the force of these considerations, and also of the desire for a Chamber of sufficient size to afford a reasonable approach to adequate representation of the population. But since no real approach to this latter ideal could be secured without enlarging the Legislature to an undue extent, the sub-Committee think that, having regard to the great importance which must be attached to efficiency of working, 250 should be adopted as the number of seats to be provided in the Lower Chamber.”

This is what was in the Report last year. Lord Chancellor, I have during the present Session of this Committee made it abundantly clear that, for the sake of efficiency, I am in favour of a small House or Houses, and therefore adhere to the conclusions arrived at in the Report of the sub-Committee from which I have just now quoted.

Chairman Might I just ask you this. Supposing the Chamber were 100, and you had 50/50 representation, you would be satisfied with 50 members ?

Sir Akbar Hydari I will come to that and show you how even 50 seats would be sufficient.

H.H. The Maharaja of Bikaner : May I say that is an individual expression of opinion ; it is not made for the Princes.

Sir Akbar Hydari I have not given it as such ; I have said this is my strongly held view. But here again, if our British Indian colleagues all strongly feel that, in view of the increase in population as shown by the Census of 1931, some advance should be made upon these figures, I submit that the number of the Lower House should not be advanced beyond 350, and that then the figure for the Upper House should be not beyond 250. But, as I have already said, Lord Chancellor, I really wish that the figures which we had hammered out at the last Session should remain where they are.

I take this opportunity, Lord Chancellor, once more of repeating—in view of what has fallen from Mr. Gandhi and Mr. Rangaswami Iyengar—that the possibility of a small select unicameral Federal Legislature should be explored. My friend, Mr. Jayakar, expressed surprise yesterday that Mr. Rangaswami Iyengar and I should agree ; he thought that we were extremes and that we met curiously—that it was curious that Mr. Rangaswami Iyengar and I should agree in regard to the advisability of having a unicameral Legislature. And I think it was my honoured friend, Sir Tej Bahadur Sapru, who asked Mr. Iyengar whether the latter agreed to my scheme. I do not know what scheme he referred to. It is true that a scheme for a unicameral Legislature was adumbrated in the Indian States Delegation ; but British Indian opinion was supposed to be so adverse to the principle of a unicameral Legislature that it never got beyond the inchoate stage. Now, however, that distinguished leaders of Indian opinion, who have a claim to be considered as the representatives of the great majority of Indian opinion, seem to incline toward a unicameral Legislature, all I ask is that the proposal might be further explored. The reasons why Mr. Rangaswami Iyengar, Mr. Gandhi and I agree in this regard are the same. They are that a comparatively small select unicameral Legislature for the subjects which are to be left to the Federal Legislature will result in economy of money, economy of time and economy of personnel, without necessarily detracting from the democratic character which a bicameral Legislature would have. It is possible that we may disagree on the question of composition ; but, in the first place, I am not so sure of that, and in the second, the mere possibility that there may eventually be a disagreement demands further exploration of what I conceive to be a valuable idea which may resolve many of our difficulties.

Sir Tej Bahadur Sapru : May I put a question at this point ? When Sir Akbar Hydari talks of a unicameral Legislature, does he mean that the

single Chamber would be entirely an elected Chamber, as contemplated by Mr. Gandhi and Mr. Rangaswami Iyengar, or does he mean a Chamber consisting only of representatives of the States and Governments ?

Sir Akbar Hydari : My main object is to keep that Chamber as small as possible. Having in view the fact that the Provincial Legislatures will be entirely democratic, I hold that if the Provincial Legislatures, which would be reflected in their Governments, were to send delegates to this Federal Chamber, it would meet my point. I am perfectly prepared, however, to consider the matter further in the light of any arguments which Mr. Rangaswami Iyengar or Mr. Gandhi or anybody else on that side of the table may bring forward. All I contend is that we should try our best, in view of the subjects with which the Federal Legislature will have to deal, to make it as small as possible, and as select as possible, and with as much administrative experience as possible.

Chairman : Assuming that that is right—I do not express an opinion—should we have to consider very carefully all the Provincial subjects before we came to the Federal subjects ?

Sir Akbar Hydari : Yes.

Chairman : It would be important, therefore, to get the Provincial subjects right before we really got on to the Federal subjects, is that right ?

Sir Akbar Hydari : Of course, Lord Chancellor, I envisage Provincial autonomy to such an extent that all the subjects are exhausted.

Chairman : How are we going to start that Provincial matter ? Are we to look carefully into it here and make the Provincial constitutions water-tight, and on a water-tight Provincial scheme set up the Federal one ?

Sir Akbar Hydari : Certainly. I should not allow the Federal Legislature to be seized with any subjects which bear on Provincial autonomy.

Chairman : What I was wondering was whether we should not have to do the Provincial one first ?

Sir Akbar Hydari : That is a matter for you, Lord Chancellor.

As to the relative strength, if we are to endow the two Chambers with equal powers, it follows that the proportion as between the States and British India should be the same in both Houses. I would deprecate one Chamber coming to be considered as more the Indian States' Chamber than the other. I want the Indian States and British India to consider that they are equally interested in the work and equally responsible for the reputation of both Houses. I would therefore give the Indian States an equal degree of weightage in both Houses. As to what that amount of weightage should be, that is a matter for adjustment and compromise between us and British India. His Highness the Maharaja of Bikaner yesterday asked that in the Upper House the States should have representation on a 50/50 basis, and in the Lower House on a 33½:66½ basis. I realise that I cannot ask for representation a 50/50 basis in both Houses. But I am so keen on both Houses being regarded as equally the concern of British India and the State that I am prepared

to moderate, so far as I am concerned, with my attitude in respect of one House, if British India will agree to compromise in regard to the other House.

Coming to the next question, you referred yesterday, Lord Chancellor, to the many tests which might be taken into consideration in assessing the relative importance of the States. Population and area seem to my mind important, as also such imponderables as dignity and the amount of what I may call the Federal content. Revenue, however, is, I submit, a somewhat unreliable test, as the basis of the figures of revenue differ so widely in different States. For example, taking the Budget of my own State, it does not include gross railway earnings or the revenue of Crown lands or of alienated lands. In other State Budgets there is not the same exclusion of such receipts.

Chairman : Would you help me in this matter ? You have the facts at your finger's ends. Taking the Chamber of Princes, I have certain figures here, but I am not sure whether they are right or not, because they are only my own figures. Taking the 108 States—I know there are 109 now, because Lord Irwin added another, but we will take the 108 if you do not mind—I understand those 108 States in the Chamber of Princes represent 514,000 square miles, 60 million inhabitants and 42 crores of revenue, and that with regard to the 127 States which are represented by 12 members, they total 74,000 square miles, 8 million inhabitants and 2 89 crores of revenue. Is that about right ?

Sir Akbar Hydari : I have not added up the figures on that basis, and I thought the Census figure for the population of the Indian States was nearer 80 millions than 60 millions.

Chairman : 60 millions is for those States which have special representation in the Chamber of Princes.

Sir Akbar Hydari : I have not looked into the figures on that basis. I will give some of my own when I come to that, according to my own classification.

H.H. The Nawab of Bhopal : These are 1921 figures.

Chairman : Yes. The reason I have not the 1931 figures is because some of them are not out. These are for 1921.

Sir Akbar Hydari : That was my difficulty also.

There is not the same exclusion in the Budgets of other States of such receipts, or even a severe exclusion of receipts which would more properly come under non-service Budget heads, like capital and other non-recurring receipts. If, therefore, revenue is to be considered, you will have to examine very carefully the figures of the Budget of each State and what they mean.

It is abundantly clear to us all, I think, that, having regard to their number, it is not possible to give individual representation to all the States. It is obviously impossible to give one seat per State and have equal representation for the smallest and biggest in either of the two Houses.

Chairman I want you to give me, if you can, a figure with regard to one adjective you say— and I quite agree with you —that it is impossible to give representation to all States. What do you mean by *all* States ? How many are there ?

Sir Akbar Hydari : Or even all the 112 States.

Chairman That is what I mean. It is impossible to give representation even to all the States which are separately represented in the Chamber of Princes ?

Sir Akbar Hydari : Yes ; because it is equally impossible to concede representation for the smallest and the biggest in either of the two Chambers. That is my view. A line will have to be drawn somewhere unless we are to make the two Houses unwieldy beyond the limits of practical politics, and a grouping of States below that line is inevitable. It is in regard to the principle of grouping that there comes in the valuable element of the Dholpur-Pattani scheme (if I may so call it) with which, of course, so far as it creates a bloc of Indian States against a bloc of British India, I do not agree. This scheme gives, if I have understood it aright, a certain number of permanent seats to each of the larger States and groups. The return of the representatives of any one State to monopolise the college would be avoided by a system of rotation.

Mr. Jayakar : If Sir Akbar is referring to the Dholpur-Pattani scheme, are we going to have a copy of that scheme circulated in order that we may be able to follow these remarks intelligently ?

Sir Akbar Hydari : I do not think a copy of that scheme will be necessary for you to follow my remarks, because I am really illustrating them by figures which I obtained before that scheme was put forward. I am simply advertising to the fact that the Dholpur-Pattani scheme has also tried to solve this question, recognising how, on the one hand, there is a desire for every State to have some sort of individual representation, and, on the other hand, how difficult it is to secure that without making the House unwieldy. I will make it clearer when I come to a concrete illustration.

Let me put my ideas before you on this point in concrete shape. They are, let me emphasise most emphatically, very rough, and only serve to bring out more concretely the elements of the problem—a possible method of approaching it. I think we may take it for granted that, if there are to be two Houses, the representation of the States in the Upper House will at least be equal to their representation in the Lower House. For the sake of argument, taking the lowest figures possible—namely, only 150 for the Lower House—and taking only a representation of $33\frac{1}{3}$ per cent. for the States in such a small House, there will be only 50 seats to go round. It is clear that the claim for representation purely on a percentage of population basis would ignore the fact that some States, though comparatively small, have a recognised position, more or less indicated by gun salutes, which cannot be ignored. Taking for granted that all the 21-gun salute States will be represented. these number five, and contain over one-third —to be more accurate, 37·81 per cent.—of the total Indian States' population. Then there are six 19-gun States, which amongst them contain almost $11\frac{1}{2}$ per cent. of the population. These are Kolhapur, Travancore, Indore, Udaipur, Bhopal and

Kalat. These must all have seats. Then come the 17-gun States, which are 13 in number, absorbing over 15 per cent. of the population. They are Rewa, Cochin, Bahawalpur, Patiala, Bharatpur, Bikaner, Bundi, Jaipur, Jodhpur, Karauli, Kotah, Tonk, Cutch. These all must have seats. There are thus 24 seats allotted with due regard to all the factors, including dignity, and absorbing 64 24 per cent. of the population—24 seats allotted out of 50 seats.

There remain then a number of States which must be represented in some way, and they can either elect their representatives through the Chamber of Princes or arrange on a territorial basis. If the arrangement is on a territorial basis, some such arrangements as the following might be adopted. I am simply indicating a way in which the problem can be approached, and I am trying to make my illustration concrete. For Assam and Bengal States, 1; for Bihar and Orissa States, 1; Bombay States, 1; Central India States, 2; Punjab States, 1; Rajputana States, 1; Western India States, 3; United Provinces States, 1; Central Provinces States, 1. You will observe that I have allowed for territorial blocs which are already well represented by individual States—for example, Rajputana only gets one. I have followed the reverse process for Western India and Central India, which do not come in for individual representation. You have thus now 24 seats for States of higher dignity and 12 for groups of smaller States. The total is thus 36, leaving 14 for disposal.

It is understood that the five major States all claim special representation and the other four of these five are prepared to concede a premier position to Hyderabad, but are not inclined to make any concessions to each other. In any case, Hyderabad would be entitled on a population basis to 8, but would be content with 6. These supplementary seats might be arranged somewhat as follows: Hyderabad 5, Mysore 3, Baroda 2, Gwalior 2, and Kashmir 2. That is how the remaining 14 seats go round. You will find that these represent the population covered by the areas, and the votes follow that. I hope that I have made it abundantly clear that, even taking the number at its worst, namely, 50 seats only, it is possible to make them go round.

I will now argue as to why we should really try to limit the number as much as possible. My reasons are these. Not only would a system of grouping ensure that the Federal Legislature, whether unicameral or bicameral, was kept small in numbers, but that, in so far as the States are concerned, the quality of the Members was good. Whereas it would be quite possible for groups of the smaller States to select men of real eminence as their representatives, it would be beyond the resources of each small State to do so. It is extremely probable that, having regard to the nature of the subjects which we propose to make federal, the smaller States, which presumably would be grouped regionally, would have a common interest in Federal questions. Moreover, some system of rotation would provide that each individual State within the group would get a chance at stated periods to send a representative on behalf of the group, so that no one member of the group would be able, for all time, to monopolise that seat. I am so convinced of the necessity of small numbers that, for my part, I should not hesitate to sacrifice one or two seats which would be my right on the basis of area, population, Federal content and dignity, in order to keep down the numbers of the whole.

I come now to question (iv), which is :—

“ On the assumption that, at the outset, some States decline to enter the Federation—

(a) On what principles is the voting strength of the States in each Chamber to be determined from time to time, until such time as all the States become Units of the Federation ?

(b) To what minimum extent must the adherence of Indian States be secured in order to justify the initiation of a Federal Constitution ?”

As regards the first part of the question, I envisage, the procedure to be somewhat as follows. From the outset it should be decided what the representation of each State or group of States will be if all the States enter the Federation. The quota of those States who are not at any time members of the Federation should be distributed proportionately among the States who have joined the Federation. The latter would give these additional seats up as the States joined. The question as to which State or States should give up these supplementary seats first may be decided afterwards. For example, they might be given up by rotation, beginning with the State that has the largest quota to give up. This is my answer to that question.

My answer to question (iv) (b) is that, if States representing 51 per cent. of the total population under Indian States' rule decide to adhere to the Federation, that should be taken as sufficient to justify the initiation of a Federal constitution. In this connection talking by numbers is misleading. The first five States contain 37·81 per cent. of the total Indian States' population ; the next seven, 14·67 per cent. That means that, if the first twelve States in respect of population join the Federation, you will have States representing just over 51 per cent. of the Indian States' population adhering to the new constitution.

Question (v) is not one which concerns Indian States, at least at present.

Chairman : You have given us very clearly your personal views, for which we are all very grateful ; but who would decide upon this ? Would some Committee of the Princes decide ?

Sir Akbar Hydari : Yes, I think so. I am expressing the same views as Mysore.

H.H. The Nawab of Bhopal : I have only to add that we have listened with great interest to what Sir Akbar has said ; but I should like to make it definitely clear that the question of the distribution of seats among the States *inter se* is the concern of the States, and it has already been decided that they (namely the States) shall settle this matter amongst themselves as soon as the total number of seats to be allotted to them has been settled. This question does not concern this Conference.

Sir Akbar Hydari : I entirely agree with what His Highness has said—that it does not concern this Conference. I gave this merely as an illustration to show—in reply to the question you put to Sir Maneckjee Dadabhoy—that even 50 seats could be worked in such a way that they would be sufficient to go round.

Dr. Shafa'at Ahmad Khan :

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I now come to the next point :

“ On the assumption that, at the outset, some States decline to enter the Federation—(a) on what principles is the voting strength in each Chamber to be determined from time to time. . . . ? ”

This is a point which has cropped up whenever there have been projects of federation. It is not an entirely new point. This difficulty has been faced by all the framers of constitutions before, if I may say so. I will take up (iv) (b), first, with your permission :

“ To what minimum extent must the adherence of Indian States be secured. ? ”

I propose that, unless and until at least half of the States, possessing half the population—about 40 millions, that is to say—come in, the initiation of a Federal Constitution cannot be justified.

Sir Muhammad Shafi : 79 millions is the total population.

Chairman : You are in agreement with Sir Akbar. So long as there is 51 per cent. of the population, you say “ go ahead.”

Dr. Shafa'at Ahmed Khan : Yes ; but if other States do not join later on, if 50 per cent. come in, I should give them a voting strength in both the Chambers only according to the amount of their actual representation in the respective Chambers. I would not allow them to exercise all the votes to which they would be entitled if every one of them joined the Federation. This provision would also simplify the difficult and intricate problem of grouping. So far as this question is concerned, I am not going to enter into it, because I believe it is entirely the concern of the States and that the British Indian representatives have nothing to do with it. The grouping may be effected according to any principle that may be arrived at among the States themselves ; but I beg to submit that, if this principle—the principle of population—is followed throughout, then their difficulties also will be greatly simplified and lessened, because they will get representation in the Lower Chamber, say, at the rate of about one Member per million of population, and one per two million in the Upper Chamber. If 50 persons come in in both the Chambers, we can make the necessary readjustments from time to time ; but I am not prepared—and I think very few persons on this side are prepared—to give them the votes to which they would be entitled if all of them joined the Federation. The principle in all federations has been that a State should be given the right to vote in either Chamber only if it had joined the federation.

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Sir Samuel Hoare : Mr. Sastri has explained eloquently, as he always does, the process of conversion through which we all went last autumn. He has told us how the words of His Highness The Maharaja of Bikaner converted us all to the idea of all-India Federation. I went through the same process as Mr. Sastri ; and I should like to say—and this is my first observation—that I am just as anxious to see an effective all-India Federation

brought into being as I was last autumn when His Highness The Maharaja of Bikaner and his Princely colleagues first made the proposal to the Conference. When I say "an effective all-India Federation," I mean a Federation that is based, first of all, upon a definitely federal foundation ; and I mean, secondly, a Federation with definitely federal organs to carry out its duties. I do not now wish to go into details upon these two main conditions. During the course of our discussions we shall have ample opportunity of discussing the details that arise in connection with them. To-day I would only say in a sentence, taking up in particular the point of view expressed by the Princes this morning, that I do regard as one of the conditions of an effective all-India Federation a sufficient participation of the Princes. Here and now I do not want to be drawn into a controversy about numbers. I would much rather hear the views of gentlemen around the table upon that very important point ; but I should like to make it clear that, so far as my own views are concerned, I do really regard an effective participation of the Princes at a reasonably early date as one of the basic conditions of the constitution that we are discussing

When, Lord Sankey, I come to the further questions of detail that have been discussed this morning—what that percentage should be, what numbers of seats the Princes should have in both the Chambers—I would much rather not to-day state my view as definitely made up upon either one or the other. I do quite honestly wish to hear the views of gentlemen around the table, and I do most sincerely wish to see agreement reached between the various sections of Indian opinion gathered together around this table. If I might make nothing more than an *obiter dictum* to-day, I would venture to say that it seems to me personally that the 51 per cent. of the population, the test suggested by Sir Akbar Hydari, is not a very full representation of the Princes. I do not wish to say more than that to-day.

Then, when it comes to the numbers, here again I would very much like to hear further discussion around the table from representatives of various bodies of Indian opinion. Let me only say at this stage that, speaking for myself, I am genuinely nervous of making these two Chambers too big. I do not say that for any partisan, political reasons. I do say it because I do believe that the kind of Chambers that we want are Chambers of a manageable size, that can effectively carry out the explicit Federal duties that we are assigning to them. And therefore, if I may say so at this stage, I somewhat regretted the tendency that has shown itself to-day—exhibited even in Mr. Sastri's very interesting speech —of putting these numbers higher and higher ; but at this stage I would not say more than that single word of caution.

Then there was another detail, a very important detail, that was raised this morning, namely this. Supposing a large number of Princes do not enter the Federation at once, what is to be their voting power until the full number enters ? I understood Mr. Sastri to say that he thought that the voting power should be strictly proportionate to the number of Princes actually in the Assembly at a given time. Now, that sounds all very well from a logical point of view, but we must remember this, that in creating this Federation we are bringing together two separate interests, and I myself can quite believe that the Princes would say themselves that they really would be placing themselves at an unfair disadvantage if they entered the

Federation, even though it be in comparatively small numbers, without having an effective voting power. I venture, therefore, just to throw that out in the discussion as a word of general caution.

Then, my Lord Chancellor, my last observation here is this. In all these questions, I was very much struck by the concluding observation of Mr. Joshi this morning. Mr. Joshi stated his view very clearly and very ably, but he said quite definitely at the end that these are not matters for ultimatums from one side or the other ; and the last thing in the world that I wish to do—and I believe here I am speaking for all my British colleagues—is to lay down hard and fast conditions at this stage in our discussion as to the various details that we have been considering this morning.

I venture to make this intervention at this time, and perhaps I may end it by saying this word of apology. My attendances at the Committee have not been as continuous as I should have wished. I have been called out constantly upon very urgent business connected with the Cabinet. But I can assure my colleagues that I have read, I think, every word that they have said ; and, so far as I can, I am following all the arguments that they are urging upon the Committee.

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Mr. Zafrullah Khan : Lord Chancellor, With your permission I shall discuss the sub-heads in the following order : (i), (ii), (v), (iv) and (iii), as I consider that that is their order having regard to the difficulties that they present. On the first two heads it is not necessary to say very much. Of course, as Your Lordship pointed out in the beginning of this agenda, there cannot be much argument with regard to figures. One has to draw a line somewhere. But the main consideration, of course, must be the efficiency and workable character of these two Chambers. Figures as high as 600 for the Lower Chamber and 400 for the Upper Chamber have been suggested. There are only two considerations which I wish to put forward in support of the lower figures mentioned to-day in connection with both the Chambers. One is that the Upper Chamber, as we visualise it, will be elected by an indirect franchise ; and, therefore, with regard to the Upper Chamber, there should be no such serious difficulty, on the score of what Sir Provash Mitter has described as “facility of representation,” as there might exist in connection with the Lower Chamber. The figure of 300 mentioned with regard to the Lower Chamber is no doubt the highest of the three figures mentioned in the Report of the Federal Structure sub-Committee ; but having regard mainly to the fact that it will be a directly elected Chamber, I consider that that figure is not too high—and we must always remember that we have almost unanimously agreed (I believe we have unanimously agreed) that differences between the two Chambers are to be resolved by Joint Sessions, and we have also agreed that in these Joint Sessions all the Members of both Houses should take part. Well, that means that even taking these two lower figures, 150 for the Upper Chamber and 300 for the Lower Chamber, you will have as many as 450 members sitting in Joint Session, and the questions to be discussed in Joint Session will probably be of greater importance on many occasions than the questions that each Chamber has to discuss separately. You will find it difficult to manage as many as 450 members sitting in Joint Session, and you may find it almost impossible to manage 1,000, which

number would be reached if Mr. Joshi's figures were accepted. A good deal has been said on both sides, and as I have said, one cannot quarrel with ten more this side or ten more the other side ; but we must have regard to the question of efficiency. I therefore agree with those of my colleagues who have suggested 150 and 300 as the figures for the Upper and the Lower Chambers.

Now My Lord, I proceed to submit my observations under Head (v) ; and I realise that this is a matter which is not very easy of adjustment. On both sides arguments have been advanced as to why the population basis offers a very easy and a reasonable basis, and also as to why and on what considerations it may be necessary to modify it. Some of these considerations are mentioned in paragraph 29 at page 22 of the Report of the Federal Structure sub-Committee. I do not want to go into those considerations at length. Coming from a Province which has not a very large population, but which, from its geographical position, as well as from the military point of view, has a very special importance, I would be very reluctant to accept the basis of population alone as a basis for the distribution of seats between different Provinces. On the other hand, when I look at the other questions and considerations involved under the different sub-heads, in spite of my reluctance on this score and my very keen desire that the quantum of representation allowed to my Province in each Chamber of the Federal Legislature should be commensurate with its importance, I am constrained to consent to a *prima facie* distribution on the basis of population—subject to this, that this part of my submission is a part of the whole of the submission that I am going to make under this Head ; and I shall have to put forward a limitation with regard to this point when I go on to discuss sub-head No. (iii).

Coming to sub-head No. (iv), I have very little to add to what has been said in reference to part (b). I think 51 per cent. should certainly be the lowest proportion of the population of the Indian States which could be insisted upon for the starting of a federal constitution—that this percentage must participate in the Federation. Again, it is a matter for discussion ; and I should not wish to develop any argument as to whether a higher figure should or should not be insisted upon.

As regards part (a) of sub-head (iv) my submission is—and I wish to make it clear—that it would be inequitable, if I may so put it, on either side, either that the seats which have not been filled on the side of the States should be distributed among the States who are for the time being represented in the Federation, or that they should be distributed among the neighbouring Provinces—I realise that that was not a suggestion put forward ; it was only an illustration given—or that they should be distributed between British India and the States. I would wish to proceed on a basis which I am going to submit with regard to sub-head No. (iii) ; and if any of the States' seats are left unfilled for the reason that the States or groups of States to whom they would have been allotted had they joined the Federation have not yet joined it, I would leave them vacant for the time being, and leave the strength of either Chamber at less than the strength which may be fixed as the normal strength of that Chamber.

My Lord, I now proceed to submit my observations under sub-head No. (iii) ; and here I would beg Your Lordship's indulgence to submit, with very great respect, certain considerations for Their Highnesses to consider

under this head while they are considering the quantum of their representation in the Federal Legislature. All of us realise that this is an extremely important matter, and all of us are anxious that, as far as possible, we should be able to meet each other's views. It is in no spirit of arrogance or dictation that I proceed to make my submission; it is with the utmost humility and respect towards all my colleagues, and more particularly towards Their Highnesses. My Lord, on this question, in the first place, along with my colleagues on this side, I wish to assure Their Highnesses that they are right in insisting upon certain matters being guaranteed and secured to them. We realise that those are matters which peculiarly concern the States; and with regard to those matters I do not think there is the slightest desire on the part of any one that Their Highnesses should not insist upon those guarantees. It is for Their Highnesses to say what guarantees they want, and those guarantees should be forthcoming. These are questions of sovereignty, succession, dynastic questions, their Treaty rights and their internal autonomy. Once these matters are secured to them as securely as they desire, and in such manner as they desire, I am sure that, on this score, they should have no misgivings whatsoever. With regard to internal autonomy I wish to add only this sentence, that not only do we not desire, but we do not arrogate to ourselves the position that we have anything, if I may so put it, to teach Their Highnesses in the matter of how they should rule their own territories. As a matter of fact, as time goes on, we may have to learn some very profitable lessons from them. But I want them to consider this—that these matters being outside the Federal sphere, the Federal Government will have nothing to do with them. On the other hand, there is one other consideration which I would ask them also to bear in mind when they approach the consideration of this question which is outlined under sub-head (iii). It is this—that they agree to put into the Federation only certain subjects which they regard as being of common interest and in regard to which they are at this moment willing to give up certain rights. But there is also that category of subjects with regard to British India which is described as “Central” subjects. I am aware that Their Highnesses have expressed their unwillingness to share in the discussions or debates in the Federal Chambers on the “Central” subjects—that is to say, subjects which are common to British India alone. But I want to point out that, in the nature of things, when we are going to have one Federal Legislature and no separate “Central” Legislature for British India, and when we are going to have only one Federal Executive, the position in practice will be that, at least so far as the Executive is concerned, Their Highnesses will be sharing in the administration of subjects which are purely British Indian subjects. That is a consideration which I hope Their Highnesses will bear in mind with regard to what I am about to submit.

Coming to the question of what has briefly been described as weightage, with regard to the representation of Their Highnesses in these Chambers, I must repeat one more consideration. That is that the Federal Structure sub-Committee has made a recommendation—it has expressed its view that the federating Units will be the Indian States or groups of States on one side and British Provinces on the other. Therefore, as I submitted in my very first speech in this Committee, there will be no question of preponderance of any Unit in this Federation. But let us go further than this theory, and let us look at actualities for a moment. I realise that, if British India were

coming into the Federation as one Unit—if British India as one entity had common interests which might under some possible circumstances come into clash with the common interests of the States among themselves—if British India had one separate culture and the States another—if British India were inhabited by one race and the States by another race—if the people of British India were the adherents of one faith and the people of the Indian States of another faith—if there were any such cleavage or division between British India as a whole on the one side and the Indian States as a whole on the other—these would have been the strongest reasons for Their Highnesses insisting that, being the smaller partner in the Federation, they should be given a certain amount of weightage ; and that would have been met generously on the side of British India. But, happily, there is no such difference. As Their Highnesses have themselves said, very often the division of interests and the question of voting will be decided on the ground of regional distribution rather than on the question of the yellow or the red colour on the map. As one can see, when these Federal questions are being discussed, that is bound to be the case. To take only one instance—supposing the question of Customs was being discussed, it is possible that the Maritime States, both British and Indian, might take one view, and the States in the interior of the country, both British and Indian, might take another view. It will be no question, I conceive, of Indian States versus British India, as Customs is going to be one of the sources of Federal revenue. There will not be that difference to which Sir Provash Chunder Mitter has alluded.

That being so, my submission is that, having regard to the fact that matters that are of supreme importance to the States and are peculiar to them, are being excluded from the Federation—the Federation relating only to certain matters of common interest between Indian India and British India, and also including the policy, legislation and administration of certain subjects that are entirely British Indian subjects—I would beg Their Highnesses to reconsider this question of weightage. In such an Assembly, questions might arise relating to British India alone ; British India might have with an apprehension that a common executive dealing with these questions would not deal them sympathetically in the interests of British India alone. But Their Highnesses can have no apprehension that, with regard to matters that are put into the Federation, there will be any such division as the States on one side and British India on the other. My submission is that, on the ground on which presumably the Indian States claim a higher representation than their population basis, it is possible for each British Province also to claim weightage. The Punjab, as I have said, might come forward on the ground of its martial importance ; Assam might claim it on the ground of her backwardness ; Bombay might claim it on account of its supreme commercial interests ; Bengal might claim it on account of the political lead that it has given to the country, on account of its commerce, on account of intellectual superiority ; and so on ; and weightage could not be allowed to all. My submission, therefore, is that Their Highnesses should be content to be represented in the Legislative Chambers on the population basis, not because there is any desire on this side to minimise the importance of the States, nor that there is any desire on this side to get a greater share, as it were, of the spoils in any sense, but because, having regard to the character of the Federal Legislature and the subjects with which it will have to deal, Their

Highnesses should have no apprehension that that representation does not give them an adequate representation. Therefore, upon this basis, both in the Upper Chamber and in the Lower Chamber I would submit that Their Highnesses should accept that position. I would repeat the appeal made to them by Mr. Sastri that, whereas there is every desire on this side—and proof has been given of that desire—to take into consideration the difficulties of Their Highnesses, Their Highnesses should take into consideration the difficulties under which British India labours and may have to labour with regard to the decision of these matters, and make it easy for British India to come into the Federation as it is the desire of British India to make it easy for Their Highnesses to come into the Federation. If, however, (and this is that limitation which I said I would wish to stress with regard to sub-head (v) after I had dealt with sub-head (iii)) under any combination of circumstances, it is subsequently found that the States must be given representation in the Federal Chambers higher than that justified by their population, then my consent to the distribution of the British Indian share among the Provinces upon the basis of population, reluctant as it is, would disappear; and I would wish the British Indian share to be distributed among the Provinces, primarily on the basis of population, but supplemented by other considerations which are peculiar to each Province.

Naturally, the question of how the quantum of the seats allotted to the States should be distributed *inter se* among the States, is a matter entirely for the States to decide; and, with regard to that, British India would have nothing to say.

These are the considerations on the basis of which I have made my submissions, and on the basis of which the suggestion was put forward this morning that the distribution of seats between British India and the States should be in proportion to population.

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H.H. The Chief of Sangli: My Lord Chancellor, His Highness the Maharaja of Bikaner has already set forth with his usual ability, in his speech of yesterday, the view-point of the Indian States Delegation regarding the strength of the Federal Houses and the proportion of the representatives of the Indian States to those of British India in those Houses. I should like to lend my strong support to the view that the States should be represented as fully as possible, especially in the Upper House, not only in proportion to the representation from the British Indian Provinces, but also in actual numbers. My reasons, briefly, are that all the States being constituent Units in the new Federation, it is desirable both that as many as possible should be individually represented and that those which cannot be granted individual representation should at least have enough grouped representation to permit of their particular interests being voiced and, as far as may be, conserved. I trust that I shall not be accused of striking a discordant note if I venture to express a doubt whether the numbers which have been proposed for the two Houses will prove adequate if the legitimate claims and aspirations of the States have to be duly met. The minimum number which I consider necessary for their requirements is 150, so far as the Upper House is concerned. If the representation of the States in this House is reduced to 125, or any similar number, it is obvious that fewer States will be represented individually

and that the representation of the comparatively small States must be small in amount and inconvenient in distribution. I am, of course, aware that in any case a considerable degree of grouping is inevitable. But the smaller the number of seats allotted, the larger will be the geographical extent of the groupings. A wide geographical area involves not merely physical inconveniences, but the junction in one electoral area of peoples of differing affinities and interests.

The arguments which have been advanced in favour of a small Upper House are : (1), that it would be of a manageable size ; (2), that it would be less expensive ; and (3), that it will consist of representatives of experience, weight and character. I acknowledge the force of these arguments ; but I cannot help feeling that these advantages will be dearly bought if they reduce the representation of what are, after all, federating Units, though small individually, to a nominal figure. Indeed, the smaller States may have occasionally special points of view to urge in regard to Federal questions, which may even justify some weightage being given to their representatives.

While, however, I am urging the requirements of the States as a whole before this Committee, I do not wish it to be understood for a moment that I am opposing the demand for an Upper House of 250 Members. But I would strongly appeal to our British Indian friends here, no less than to the members of the States Delegation, who have shown such a generous spirit of accommodation, to give their liberal consideration to the requirements and aspirations of the comparatively small States. Any increase in the numbers of the Upper House which will permit of a more complete representation of the States will be very welcome to them. Without entering into details of distribution, which I think should be a matter for consideration, in the first place, by the States themselves, I do not know how their full representation may be possible within the limit of 125.

First of all, there are 109 States, the Rulers of which are members of the Chamber of Princes in their own right. Then there are the 126 States, the Rulers of which are represented in the Chamber by 12 members of their Order, elected by themselves. It is well known that many of these States have consistently protested against their exclusion from membership of the Chamber in their own right. The justice of the protest has been recognised by the decision of the Government of India to give one of them, namely Mayurbhanj, the right of membership. It is also known that the Political Department is re-examining the whole question and considering the right to similar membership of the other States which are now excluded from permanent membership ; and it is likely that some of them may be promoted, on investigation, from what is known as the second class to what is known as the first. Then there is the large number of the third-class States ; they are 327. Many of these are inconsiderable in individual size ; but their aggregate size and influence is considerable. They are bound to the British Empire by agreement which can as little be regarded as " scraps of paper " as the Treaties of their greater brethren. Above all, it is essential that this Federation of India should be universal, and that no discontented—I may almost say outcast—residue should be left without voice and without representation. It is in view of all these considerations that I venture to think that 150 should be the number allotted to the States in the Upper House,

As regards the Lower House, I see that the numbers must be based more largely upon population. I recognise, therefore, that there must be considerable groupings of the comparatively smaller States, if the figures of population are to be the main factor on which representation is to be based. Here again, however, it is essential that the electoral areas should be of manageable size if there is to be any real representation of the generally widely-scattered States. I fully support the desire of my colleagues on the States Delegation that a percentage of $33\frac{1}{3}$ of the seats should be given to these States. A House of 350 would, however, only allow of 117 Members being sent from States. For the reasons I have already given, I believe this would yield an insufficient representation. I would therefore prefer a Lower House of 150, with 150 representatives from the States, if the Upper House also has a strength permitting of 150 States' representatives. In any case the States should have, in the Lower House, a representation proportionate to their representation in the Upper House.

It has been stated by some of my colleagues that, if a few large States, representing 51 per cent. of the total population of the Indian States, were to join the Federation, the new constitution might start working. It has further been said that, pending the entry of the other States, those that have already joined the Federation would exercise the aggregate voting strength allotted to the States as a whole. While I generally agree with the idea underlying the suggestion, I venture to hope that, whatever constitution is evolved out of our deliberations, it will be as much attractive to the smaller States as to the larger. From this point of view it is necessary to see that the scheme of representation does not in any way operate unjustly in regard to the smaller units of Indian India.

My Lord, constitutions are made but once. Once they are made, the universal tendency in these rigid constitutions is to maintain, and not extend, whatever recognition may have been accorded by them to the Units covered by their provisions. That is why the States are anxious; and I venture to urge that their requirements and aspirations should receive due consideration at this stage. His Highness The Maharaja of Bikaner has from the outset championed the cause of the smaller States. His Highness fought their battles successfully at the establishment of the Chamber of Princes. Evidence is not wanted, even during the short time that His Highness The Nawab Sahib of Bhopal has been working as Chancellor of the Chamber, that His Highness is anxious to uphold the interests of the States and secure justice to the smaller States. I hope the other distinguished members of the States Delegation will do what they can to further the well-being and advance the interests of all classes of States. The British Indian statesmen who are here are endeavouring to hammer out a constitution which will embrace in the new India every element that exists in the present-day India. I therefore appeal to my colleagues from British India and the Indian States to vouchsafe their earnest and sympathetic consideration to the point of view I have just placed before them on behalf of the States, which have their own traditions and importance, and whose Rulers and peoples are as anxious as the citizens of any other part of India to participate in the fortunes of their native land.

PROCEEDINGS OF THE TWENTY-NINTH MEETING OF THE FEDERAL
STRUCTURE COMMITTEE HELD ON THE 24TH SEPTEMBER, 1931, AT 11 A.M.

HEAD 1.

STRENGTH AND COMPOSITION OF THE FEDERAL LEGISLATURE (*concl'd.*)

H.H. The Maharaja of Bikaner. My Lord Chancellor. I am extremely reluctant to inflict myself on the Committee again, and I am indeed grateful to you for giving me this opportunity of speaking about some important points that bear on the questions which we have had under discussion during the last two days. I have already explained that my business, in the second part of my speech on Tuesday, was to place before you, as faithfully as I could, the unanimous, or the majority, view of the Indian States Delegation. And before proceeding further, I should like to express my gratitude to the various speakers, and especially to my friend, Mr. Sastri, for their spirit of friendliness and understanding as regards the standpoint of the States, even though it was inevitable that, on some points, unanimity was not possible to be attained—at least at the present moment.

Before dealing with what, amongst the States' problems, is one of the most important—namely, the question of the smaller States and their adequate representation—I must refer first to certain views propounded yesterday, especially the suggestion that a strong and impartial committee be appointed by His Majesty's Government to hear evidence and to allocate seats in the Federal Legislature amongst the States *inter se*, as also some remarks as to grouping, and the minimum or maximum number—as one looks at the question—which by some speakers was deemed sufficient for the States. Sir Mirza Ismail said that any settlement amongst the States was unlikely. I regret I am compelled to challenge Sir Mirza's statement. To quote his own words in the official proceedings, he said :—

“The fact that I do not agree with him here”—(he was referring to His Highness the Chancellor of the Chamber of Princes, our other leader here, His Highness of Bhopal)—“seems to be sufficient justification for the appointment of a special independent committee to decide this question.”

If the *obiter dictum* of this statement is to be translated into literal action on every point when a British Indian or States Delegate disagrees, I do not know where the States and British India will ultimately find themselves. We cannot and should not, I submit, attempt to force our views on others.

Now, Sir, I am the first to admit that every Delegate on this Committee or the Round Table Conference, including the members of our States Delegation, has, of course, the right to express freely his individual opinion; but, as different opinions have been expressed by a few members of our Delegation, it is with extreme reluctance that I claim, in my turn, the right to express my clearly contrary views. I wish to make it clear that such individual expression of views by Sir Akbar Hydari and Sir Mirza Ismail should not be taken to imply that they represent by any means the views of the States Delegation as a whole, and certainly not of either the majority of us present here or of the vast majority of the Indian States, for which I claim, on more grounds than one, to speak with considerable inside knowledge and

authority. Indeed, I can see nothing more likely to cause at this stage a serious split amongst the States or to wreck federation, as far as the States are concerned. I must once again say with what regret I have to criticise some of these observations, all the more so as they come from Ministers of the most important of the important States in India, and furthermore from old friends like Sir Akbar and Sir Mirza. But I would beg them to realise that, beyond honest and strong differences of opinion, nothing personal is intended, and that, if I appear to speak in a blunt manner, it is the fault of my outlook and actions, being those of a plain soldier who does not beat about the bush or use any long-winded, meaningless words where he differs.

As I have already stated, this is a case of history repeating itself; and I think it is generally known that grave alarm and concern have, in the circumstances, not unnaturally been created amongst the States, as was the case when individual membership of the Chamber of Princes was similarly under consideration.

Sir Mirza Ismail : My Lord Chancellor, I wonder whether there is any necessity for such a long statement challenging our representative capacity.

H.H. The Maharaja of Bikaner : I did not challenge their representative capacity, My Lord.

Sir Mirza Ismail : All I stated was—and Sir Akbar Hydari also expressed his agreement with me—that this was a question of immense difficulty and complexity, and instead of attempting to solve it amongst ourselves—because I thought and still think more firmly than ever, after what has been uttered yesterday and to-day, that it is impossible for us to settle it amongst ourselves—the best plan and the most obvious plan was to refer it to an independent committee on which there should be no representative of any State in India. Is not that a more satisfactory method of solving this intricate problem than trying to solve it amongst ourselves? I feel that the very attempt to solve it would engender so much heat and so much jealousy that it would do far more harm than good; and in the view that I expressed I was supported not only by Sir Akbar Hydari but also, I believe, by His Highness The Gackwar of Baroda. So there are Baroda, Hyderabad, Mysore, Jodhpur and Jaipur who are all in favour of this view, and it may be that some of the smaller States also may hold this view.

H.H. The Maharaja of Bikaner : And others may be against it.

Sir Mirza Ismail : That is all I said, and nothing more.

H.H. The Maharaja of Bikaner : It is because we hold different views on these very important matters that I want to place them before you.

Sir Mirza Ismail : My friends on the other side, some of the most eminent leaders in British India, have also said that this was the most satisfactory way of dealing with it.

H.H. The Maharaja of Bikaner : We did not interrupt certain members of our Delegation when they put forward their views, and I hope that those who hold contrary views will be allowed to have their say.

I was saying, as I had already stated previously, that it was a case of history repeating itself, and that grave alarm and concern were already felt

as regards the position created amongst the States, as in the case where individual membership of the Chamber of Princes was under consideration. I had intended to deal with this point also in my speech the day before yesterday ; but I refrained from doing so on various grounds, and also in view of the fact that, I having been brought up as a soldier in the strict school of discipline, I felt that, in the second stage of the proceedings, my business was merely to voice the views generally of the States Delegation. But we should be laying ourselves open to justifiable attacks from Princes and States—and especially those in India—whom we have the honour to represent here, if we did not say anything on the subject. May I here read to you the full text of the resolution, to which His Highness the Chancellor referred, approved unanimously at the Bombay meeting in July last of our States Delegation, embodying the proposals of a Committee of Ministers, on which Sir Akbar Hydari also served, and, in the unavoidable absence of Sir Mirza Ismail, we also had the benefit of having there Diwan Bahadur Krishna Rao, a member of the Mysore Government.

Sir Mirza Ismail : Sir Akbar Hydari ?

H.H. The Maharaja of Bikaner : Sir Akbar Hydari was on the Committee. This was the proposal accepted by him on the Delegation, and Sir Mirza Ismail had a representative there—I believe the senior member of the Mysore Executive Council. This resolution runs as follows :—

“The distribution *inter se* of seats amongst the States in the two Houses should be left to be settled by the States. Failing agreement the points in dispute should be referred to an expert committee to be appointed by the Crown.”

The Indian States Delegation adopted in its entirety the Ministers' Report which dealt with this and other points, with the single modification, suggested by Sir Akbar Hydari himself, that the strength of the Upper and Lower Houses should not exceed 250 and 350 respectively. This I believe still to be the view of the majority of our Delegation. Here I must observe, first, that the question how seats are to be distributed amongst the States—as observed yesterday by His Highness the Chancellor—was a matter which did not arise in any sense before this Committee. The settlement would also depend on the question of the total membership of the two Houses, and the proportion of seats available to the States. Secondly, Sir Akbar Hydari, yesterday agreed with His Highness the Chancellor, and admitted that this point did not concern this Conference. It has already been fairly and correctly stated—and I gratefully acknowledge what has been said by some British Indian leaders—that this is a matter purely for the States to settle amongst themselves. Thirdly, it is in any case premature to discuss this point here in view of the resolutions of the Chamber of Princes, to which I referred the other day, and the mandate given to us on this and other questions. This question, together with others, will have to be discussed amongst the States ; and, therefore, it is not within the power of any State, or States Delegate or representative to prevent such discussion. After such discussion in the Chamber of Princes, a thoroughly representative committee will—in accordance with what, I have little doubt, will be found to be the view of the majority of the States—have to be appointed, to work in close association with the Viceroy, as a result of which, and through the

good offices of the Viceroy, I am in hopes that conclusions equitable to all concerned will yet be possible to be arrived at. This committee would, of course, consist, not merely of members of the Chamber of Princes, but also States which—although members of the Chamber of Princes—do not avail themselves of the privilege of such membership, as well as representatives in a reasonable number of the smaller States, and, as far as possible, the various other units of Indian India. That, in my opinion, Sir, will be the right time and place for more detailed proposals and for the various views and claims of the various categories of States to be put forward, when—again I repeat, through the good offices of the Viceroy, and according to the strength and justice of the claims of the different States and the different categories of States—I decline to share the pessimistic view that it will be impossible for any agreement to be arrived at on any point amongst the States. However, as I have already made clear—and that is the view of the majority of the States Delegation—should there unfortunately be no agreement, then such points as are still in dispute will doubtless have to be referred—as, I think personally and in certain cases only—to the Viceroy, and others to an expert committee of arbitration to be appointed by the Crown.

Chairman : Might I add at the end of that last sentence : “ To an expert committee, appointed by the Crown, whose decision shall be final.”

H.H. The Maharaja of Bikaner : Well, Sir, that is my view—if we find that there are certain things that we can refer to arbitration. On the other hand, what the other States will feel about this I am not in a position at present to say. The discussion will have to be in the Chamber of Princes ; then we hope the Viceroy will settle some things. Other points of course will have to be adjudicated upon by arbitration. Of course, that will be final. If there are certain points of difference which can go to arbitration, the decision will have to be accepted ; but it does not mean, therefore, that States will have to come into the Federation against their wishes. I cannot, therefore, see what any of the large or important States have to fear from such preliminary attempts to arrive at unanimity, or at least the greatest achievable measure of unanimity, or why they should be attempt to deny to the various States the fullest and freest opportunities of at least first discussing the question amongst themselves and putting forward their views and proposals. I wish to say, Sir, that I have not the least doubt that several even among the important States, after reviewing our work, and hearing the discussions and final recommendations of the Round Table Conference, will themselves want to proceed on a method something like that which I have outlined.

My Lord Chancellor, I wish to make an observation with reference to what has just fallen from Sir Mirza. I trust that no one here, or in India will take it as implying the least unfriendliness to any Prince or State ; but even amongst the individuals and States, of equal rank, *inter se* there is necessarily relative seniority and juniority. The important—or, as I prefer to call them, the larger—States, and the smaller States, can be distinguished by various tests, such as population, area, revenue and other important factors. Hyderabad indisputably stands first amongst the 109 members of the Chamber of Princes, in the same way that the 109th member ranks after the remaining 108. But, through a combination of circumstances, an

impression has been encouraged among some States, which I am sure it will be the wish of the biggest of our big States also to remove. That is that there are only some three, or six, or a dozen, or fifteen—I deliberately abstain from giving any specific number—which are the only States that count, and that no other important States exist. Here, My Lord Chancellor, may I repeat that there are various tests—not merely population, area and revenue but other generally recognised tests in judging the importance of the States by which the Viceroy and the British Government have been guided when there have, for instance, been disputes—as I think Lord Reading will admit—of precedence between States *inter se*. These tests are, for instance, Treaties, measure of sovereignty, past traditions, independence, history, political importance and influence, and such other well-known tests. It was on such grounds that I felt compelled to put a question to Sir Mirza when he claimed, if I understood him rightly, for the great States of Jaipur and Jodhpur—whose advisers are associated with him here—the still prouder position amongst the many big and important Treaty States of Rajputana of being the biggest. It was, therefore, that I asked whether Udaipur was not the biggest.

Whilst I am on this subject, I may say that, if we proceed on the mere test of population in regard to the relative importance of the States, or as to their entry into the Federal Legislature, we shall find ourselves in the midst of the most frightful complications and anomalies. For instance:—(1) Udaipur, on the basis of its population, would receive only half the number of seats of Jaipur—a position of inferiority which it would be impossible to conceive that Udaipur would ever accept, (2) Mayurbhanj, the latest member in its own right of the 109 members of the Chamber of Princes—whose relative importance and sovereign rights I am the first to admit, and whom we were glad to welcome in our midst—would have come 17th in the list of all the 109 members of the Chamber of Princes; (3) In the last 6 of the first 28 States, according to population, there are 4 States—I say nothing to detract from their relative importance or the sovereign powers they possess—which, on a population basis, though not among the first 109, would come, as I have said, among the first 28. (4) Then Kathiawar—which, with Central India, possesses the largest number of various units of Indian India—has in addition 185 non-salute States, including non-jurisdictional talukas. There are 15 other salute States. Of these the most senior—Junagadh—would come 23rd in order of population, after some who have just joined as members of the Chamber of Princes; and so on. But these three States—that is to say Junagadh, which I believe is the premier State in Kathiawar; Nawanganagar, which I believe is the second; and Bhavnagar, which I believe ranks third—would come 23rd, 32nd and 27th respectively, although these three States either exceed or approximate a crore of rupees in revenue; and all these three States enjoy dynastic salutes of thirteen guns.

I shall now deal briefly with the question of salutes, which has a bearing on this. There are admitted anomalies in this, even though salutes serve as a somewhat useful guide in certain directions. In this connection I have been repeatedly and expressly asked by a large number of States to make it clear on all occasions, that salutes alone should not, and cannot, be taken as one of the essential tests qualifying for individual entry into the Federal Legislature. May I here quote two brief extracts from an official speech made by

a former Viceroy, Lord Chelmsford? Speaking on the identical question of qualifying tests for membership of the Chamber of Princes—then about to be inaugurated, and when the constitution of that body was under consideration—Lord Chelmsford stated on the 20th January, 1919, in the Princes' Conference which was held previous to the establishment of the Chamber of Princes, that Mr. Montagu, the then Secretary of State for India, and he were of the opinion that—I quote his own words :—

“ the whole question of salutes needed most careful investigation in view of the anomalies which appeared to exist ; and we held, therefore that it would be unwise to base upon the salute list, as it stands, any fundamental distinctions between the more important States and the remainder. It appeared to us that, if such a distinction is made, it must be based upon constitutional considerations ; that is to say upon the nature of the link between the individual States and the Crown.”

Again, at the next Princes' Conference on the 3rd November, 1919, the Viceroy referred to the same question in the following words :—

“ Your Highnesses will remember that, in my last speech, I said that Mr. Montagu and I felt that the whole question of salutes needed most careful investigation in view of the anomalies which appeared to exist. If the principle I now advocate is to be adopted as the basis of classification, it will be additionally desirable that this investigation should be undertaken at an early date, in order that anomalies, whether already existing, or likely to ensue, from the institution of the dividing line, should be corrected wherever possible. My Government are ready to give their earnest consideration to this matter, and will make the necessary recommendations to the Secretary of State for submission to His Imperial Majesty in due course.”

But unfortunately nothing has been done.

Now, Sir, If I may, I will make a few essential observations regarding what are known as the smaller States, whose cause especially in this connection was so ably and sympathetically supported by His Highness of Bhopal in particular during the last Session. I state, with a full sense of responsibility, that this problem will be an extremely important consideration in all matters affecting the Indian States. It is inevitable that the position of the larger territorial units amongst the Indian States should loom prominently ; but I am free to admit, as the Ruler of one of the important States in India, that although it would tickle my vanity to think only of myself as Ruler of one of the bigger States, that will not work in the problems before us. I beseech you all—whether you are Members of His Majesty's Government, or of the important Parliamentary Political Parties in Great Britain, or Delegates from British India, or from the Indian States—not to let there be any misunderstanding on this point. The adequate and due representation of the smaller States (and I refer to the smaller States proper, and not to various units which do not come under the category of sovereign States) in the Federal Legislature, is not only a matter, therefore, of great importance to the States as a body ; but, it is my honest and unshakable belief, of very direct and immediate consequence to the success of the Federal scheme, as far as the States are concerned. I hold strongly that the interests of the smaller States are the interests of all the States. Their welfare and continued existence is our most jealous care. Their sovereign rights and privileges it is

our duty also faithfully to safeguard, as it is also our duty to further all their legitimate aspirations and to consider with sympathy, and to support, all their reasonable demands.

My Lord Chancellor, After all, the so-called smaller States (which is at least largely a matter of comparison) comprise also several of the 109 States which individually are members of the Chamber of Princes in their own right. It is possible that when the claims of some States, who are not at present members of the Chamber in their own right, are further examined, there may be some who will be found entitled, by a slight adjustment, or concession, of their sovereign powers or by further examination, to be held eligible for membership. I will not hazard a guess as to numbers. That question does not immediately arise here since, in the first place, it concerns membership of the Chamber of Princes, and will also be taken up in regard to the revision of its constitution.

I wish to emphasise that nothing less than 125 seats for the States is at all likely to satisfy the claims of the States as a body.

I would conclude my observations to-day by reminding this Committee of what I have repeatedly urged and stressed in the past—here in the Round Table Conference and elsewhere—namely, the importance and need, in justice to the States and their subjects, that the representation of the States in the Federal Legislature cannot be based merely on area or population, but that regard must also be had to their sovereignty and internal autonomy, their relations with the Crown, their political importance as one of the two great separate entities in India, and also—to quote from the Simon Report—

“ their existence and influence, and the Crown’s obligations in regard to them.”

After hearing the debate yesterday, I now desire to give expression to my personal and definite view that a test of 51 per cent. of the population of the entire Indian States’ territory will not suffice as a test for the States jointing Federation. What number that should be, or what the number of States joining should be, I shall probably have an opportunity of dealing with, and of expressing my final view upon, after we have discussed the point in our Delegation.

Chairman : Before I call upon His Highness of Dholpur, I think I should read a letter which I have received from His Highness, as it will explain his position. What His Highness says in this :—

“ The speech that I am making to-day has been purposely so framed as not to raise controversial issues of an intricate nature of this stage. It was necessary to do so, in view of the fact that at yesterday’s meeting of the States Delegation, it was found to be necessary to continue further discussions on the matter there, before it was released to the Federal Structure Committee in all its details.

I have, therefore, to postpone the idea of having the draft proposals circulated to all the members of the Committee for some time later.

At present, I am confining myself to general reference to the main idea underlying the proposals and to answering the questions under Head 1, which we are discussing.”

Sir Akbar Hydari : May I make a personal explanation at this point ?

I simply want to say that what I said yesterday was by way of an illustration to show as to how, if we decided to adhere to the number in the Upper Chamber as being only 100 and the number in the Lower Chamber as being only 200 (in case we were forced to have a bicameral House), that even a number of seats like 50 would go round and could represent adequately the Indian States in a sufficient way to allow all these States to send representative statesmen to safeguard the Indian States' rights. So far as the tests of priority, grade, and so on, are concerned, I said nothing. All those tests which His Highness of Bikaner has read out may be applied, and then the number distributed. All I wanted to say was that it was possible to frame a scheme whereby even 50 seats could go round, and thereby enable the two Houses to have that evidence of stability, and to have those men of experience, on which I have been all the time insisting. I took the population basis as the test which I had readily at hand—which was the most definite, and which was the most up to date which I could obtain—but I did not thereby say (and I think I made it clear) that the population test was to be applied finally in determining the relative importance or the number of seats to be given to the different States *inter se*. I also said that I think, as Sir Mirza Ismail has said, that probably it will not be possible to come to any agreement among the States themselves by mutual conversations, and what we were afraid of was that, if we started here, such a type of atmosphere would be engendered as would not be very conducive to a peaceful settlement ultimately—which would be the case, if in the first instance, the whole ground was explored by an independent body of the kind to which it would have to be referred in any case in the end.

H.II. The Maharaja Rana of Dholpur : Lord Chancellor, At the last Session of this historic gathering, the great principle of a united India was evolved and a large number of the States represented here generally approved of the idea of an all-India Federation. It was on that basis that the outlines of a constitution were worked out by the Federal Structure sub-Committee. After the adjournment of the Conference in January last, the scheme of Federation was examined minutely in all its aspects by the Princes in India. My brother Princes had occasion to discuss it at the last session of the Chamber of Princes and at subsequent meetings specially convened for the purpose. As a result of these discussions they came fully to realise and appreciate the delicate implications of the various provisions concerning the States. At many places the scheme had purposely left out certain very important points, like the composition of the Federal Houses, the proportion and method of representation of the States therein, and so on, without which the picture was not complete. It is these points which we are discussing now; and the Princes felt that it was their duty to contribute their own ideas to the solution of these problems in a way which would be satisfactory from all points of view, and would at the same time provide essential safeguards for their internal sovereignty. On the one hand, they were quite clear in their minds that it is essential, in the larger interests of India as a whole, to devise suitable means for co-operation between British India and the Indian States. They are fully conscious of their duty to India as a whole—and here, I am sure, I am speaking on behalf of the entire Order of Indian Princes—that they have never tried to stand in the way of or retard the political advancement of British India and the fulfilment of its legitimate aspirations. On the contrary, they, as sons of Mother India, will be glad to see India achieving its

due and proud place of an equal partner in the British Empire. On the other hand, they are deeply concerned about the responsibility that lies on their shoulders as the trustees and custodians of the rights and privileges of their beloved subjects and of their proud and age-long heritage. Nor can the Princes, who have loyally stood by the Crown through peace and war and have made genuine and affectionate sacrifices for His Imperial Majesty—of which the British Government are fully aware—ever disregard their traditional and time-honoured relations with the British Crown, and countenance suggestions which may lead to consequences not compatible with the maintenance and continued observation of these obligations of honour into which they have entered.

Having these considerations in view, a section of the Princes felt it to be their duty to devise means which would provide for the evolution of United India, while maintaining unimpaired and secure the internal sovereignty of the States and their relations with the Crown, without altering the basic principles underlying the great labours of the Round Table Conference last year. For this purpose, a conference was convened at Bombay last month, at which, after prolonged discussion, proposals were framed to achieve the object in view. I have been authorised by the conference to lay those proposals before this Committee for the consideration of its distinguished members.

I must, if I may, in the beginning, make it quite clear that we have been wrongly accused in some quarters of trying to wreck the all-India Federation. Our only difference is about the way in which this Federation is to be brought about ; and I have already indicated above that the way that we adopt should be such as would satisfy the considerations enumerated.

The Simon Commission visualised two distinct ways in which an all-India Federation may be achieved. One way is that the States individually should come into a Federation with British India or its Provinces, and the other is that the Indian States may first confederate between themselves and then this confederation should federate with British India, whether constituted on a federal or unitary basis, or with the Provinces. This committee adopted the first alternative ; and they proposed to avoid the difficulty presented by smaller States, which possess small areas and populations by providing to group them together for the purpose of federation.

The scheme drawn up last year lays down that :-

- “ the component elements of federation should be on the one hand—
- (a) the federating Provinces of British India, and on the other hand,
- (b) such Indian States or groups of States as may enter the Federation.

Provision should be made for the subsequent entry from time to time of such further States or groups of States as agree to enter the Federation.”

It leaves the States free to join or not to join. It is frankly admitted that a large number may not join immediately. Taking the 109 sovereign States, which are members of the Chamber of Princes in their own right, supposing 50 of them join while the rest decide not to join, what will be the quota of representation that will be allotted to those States which decide to join ? The claim for 50/50 representation, advanced by the States here, is based

upon the clear assumption that the whole of Indian India is coming in. We know for certain that the whole of British India is coming in, but we do not yet know similarly anything definite about the Indian States. Along with this, we have to remember that, even if all sovereign States were to be recognised as Units for representation, the question of the large number of big and small Units which do not enjoy the same amount of sovereignty would still remain ; and grouping them regionally, or on some other basis, to form Units for federation and representation in the Legislature, does not seem to be a way out of the difficulty, as I am afraid it may not be easy to find a basis for forming groups which would satisfy the various States brought in, as their interests and requirements may be varied and not always easily adjustable. Presumably, they will be formed on the regional basis. Take Kathiawar—apart from a few big States, which might get individual representation, most of the others will have to be grouped together. Supposing some of them stand out at the beginning and those that join are grouped together, are the groups to be re-arranged when some of those others decide to join ? In that case it would not be easy to find a formula which would ensure the Federation to run undisturbed, as there will be continuous re-shuffling of groups till all the States have come in.

Then, there is the question of the position of the States which decide not to join. What is to be their position as regards their relations with the Viceroy, representing the Crown, on the one hand, and with the new Federal India on the other ?

Besides that, the question of allotting representation to those different States and groups of States would in itself present great difficulties. It has already been very widely discussed, and the replies received to a questionnaire, issued by His Highness the Chancellor of the Chamber of Princes, go to show that the Princes or States are by no means agreed on that point.

These are some of the questions that arise out of, and seem to be inherent in, the scheme as it stands to-day. There has been a great deal of discussion on these questions here and different solutions have been offered. The solution of all of these difficulties appeared, to many of those that I have the honour to represent, to lie in bringing about some sort of Union of States mainly for the purpose of federation with British India. It is obvious that many of the States will have to be grouped in order that they may form Units for representation in the proposed Federal Legislature ; then why not let us have one group of all States put together, big and small, so that the process may be simplified and difficulties and possible misunderstandings may be overcome ?

There arises the question as to whether the bigger States can be expected to agree to such a proposal ; but I, for myself, see no reason why they should not, if their share of representation in the Federal Legislature is guaranteed even through such a Union of States, and it is not difficult to devise means for doing so.

It has been generally recognised by all concerned, and has been definitely provided in the first Report of this Committee, that the elements of federation are to be two, British India and Indian India. This was also emphasised by the Secretary of State in his speech yesterday, when he referred to two interests combining to form the Federation. This is just the real situation, and I would urge that these elements of federation may be more

definitely appropriated to the position of the units of federation. It would simplify matters a great deal if we have a Union of States joining hands with federated British India or federating British Indian Provinces. There would be no continuous re-shuffling of groups of or constituencies, no difficulties about allotments of representation, and so on; and it would tend to smoother working and a greater stability of the Legislature. If the States are so grouped together, the question of the method of election also becomes simpler. It is proposed that this Union should form an electoral college to elect representatives on behalf of the States for the Federal Legislature. Of course provision will be made for the due representation of the bigger States, of all regional and special interests, and for the proper representation of the smaller States.

I am glad that the bulk of opinion expressed by my friends from British India seems to be that the question of the methods of the representation of States should be left to be decided by the States. I am glad at this spirit of accommodation that they have exhibited; but may I put it to them that the proposals that I have the honour to submit would introduce the principle of election by a joint electoral college, and it would be a distinct advance on nomination by the governments of States individually.

I may point out another benefit that will accrue to all India from this method. If individual States are allowed to send their representatives to the Federal Legislature, it may not be possible for some of them to find the talent, which the Federal Legislature would greatly value; but, if representatives are returned from an electoral college, we will be able to put at the disposal of the Federation the united wisdom and the selected talent of the States. This would be a sure guarantee that the right sort of element will come to the Legislature, which will further ensure its stable character, and, consequently, that of the Government as a whole, the value of which cannot be minimised.

It cannot for a moment be disputed that this proposition is practicable, and I see no difficulty in bringing it about, for the framework of such an institution already exists in the Chamber of Princes. The Chamber is at present an officially recognised advisory and consultative body. It can easily be developed to serve the above purpose if it is allowed to function also for the purposes of the all-India Federation. As to minor details about the reconstruction and expansion of the Chamber for this purpose, we need not refer to them at this stage. Those are matters which concern the States exclusively.

I think that I have taken up a good deal of the valuable time of this Committee, and I feel that I need not go into the details of this method at this stage, particularly in view of the fact that the consensus of opinion on this Committee happily seems to be that the question of the method of election to the Federal Legislature should be left entirely to either party to decide.

After these general remarks, I now come to the questions, which have been under discussion here, under Head 1. My reply to the questions is the following.

In reply to questions numbers (i) and (ii), I do not think that it is easy to prescribe any numbers. All that I want to emphasise is that the Federal Houses of Legislature should be capable of accommodating all the multifarious interests that may legitimately seek and deserve representation.

On sub-head No. (iii), I am in complete agreement with the view which has already been expressed from this side of the House. The reasons that justify the claim of 50/50 in the Upper House and 33½ per cent. representation in the Lower House, are, firstly, what I have already mentioned above, namely, that two distinct interests are combining to form the Federation, and it is a recognised and well established principle of federation that, in the Upper House at least, all federating units are equally represented. Besides that, though population is a criterion and an important one, sovereignty and its sacrifice, political position, and many such other considerations, must be given their due weight in deciding this question.

Then there is point No. (iv). In view of this suggestion that I have made, that the States should form one group for purposes of federation, this question also admits of easy solution. This group will be entitled to all the representation which may be allotted to the States from the every start. Those States that join later will be admitted into the group and will find their places, and it will not at all disturb the arrangement so far as the Federation is concerned. Of course it is hoped that, under this idea, a large majority of States will join the group from the very beginning.

Point No. (v) does not concern the States.

This, my Lord, is my submission in brief.

In the end, before I close, I would like, if I may, to refer to the cordial feelings which have been expressed by our friends on the other side with regard to the part that the States Delegation has played in the evolution of a scheme for United India, and I heartily reciprocate those feelings. As I have already said in the beginning, the Indian Princes are only too glad to be able to serve the cause of the country as a whole, which I may respectfully point out is not a new thing in history. This is not incompatible with British India or its Provinces enjoying autonomy and the Indian States enjoying their sovereignty in their different spheres. I welcome the very laudable offer of give-and-take, which has come from one of the greatest leaders of India, on whose sympathies, whatever claims British India may have, the States have a claim by reason of his birth in Porbandar—an Indian State—and I heartily accept it in the spirit. But may I venture to suggest that, what I honestly believe is more necessary for bringing about a lasting and really friendly feeling, which alone can form a solid basis for an agreed solution, is that give-and-take may be exercised in the humane and truly accommodating spirit of live and let live. We have our different systems of government, and it seems to be futile to attempt to bring all to agree to the same system throughout with a stroke of the pen. Let us remember, Rome was not built in a day. If the States are to come into a federation—and they have been welcomed into it—they should not be expected to give up those ideas and institutions which have stood the test of time and proved to be good and wholesome, and supplant them with ideas and institutions copied from abroad and still undergoing a crucial test. Let them live in their own way to advance and evolve their own systems; and then, perhaps, they will be able to make solid and concrete contributions to the political growth of India as a whole, which may be truly great. Let them evolve some system of government, which, while preserving the essentially Eastern character of paternal monarchy—the treasured inheritance from the ancient and immemorial traditions and culture of India—will satisfy the

people's requirements and will not be foreign to their genius. While the foundations of a United India are being laid, our aim should be not to look to the immediate future only, but to pierce through the mists of uncertainty, and cast our glance ahead to times when the coming generations of our Motherland will taste with relish the fruits of the mighty tree which is being planted now, and will bless those who have spent their time and sacrificed their comforts to bring it into being.

II H The Maharaja of Rewa : My Lord Chancellor, Bearing in mind the views which have been expressed from this side of the table by my colleagues, both brother Princes and the eminent Ministers, it is unnecessary for me to cover the same ground. Almost all the points have been touched upon and discussed. There is, however, one point to which I have attached a very great importance ever since the question of federation came into the arena of discussion. This question is the distribution of the States' representatives among themselves, and is, to my mind, of vital importance.

The term "bigger and small States" has often been used, sometimes casually, and at other times seriously; but the definition on which the comparison is going to be based in the future is not yet decided. I admit that it is a question which concerns the States alone, and the decision will have to be arrived at between the States, with the assistance of the Crown, if they feel unable to decide it unaided; but I wish to make it abundantly clear that Treaties, internal sovereignty, tradition, and historical importance are facts which cannot be lost sight of when the time comes for deciding upon the definition of bigger and smaller States.

I should therefore like to urge that any definition based merely on population and area, etc., will not satisfy a very great majority of States. Treaties must be taken as living factors which should not be minimised if the adherence of the majority of the States to the Federation is to be achieved. The States on the whole will not view with equanimity any proposal whereby their long-enjoyed and time honoured sovereign status is placed in jeopardy.

I feel certain that my brethren in British India will sympathise with us when we try to safeguard our existence; and I am also convinced that the Crown, which has taken upon itself the duty of seeing that our Treaties are honoured and respected, will also bear this fact in mind. When I say this, my words should not be taken to mean that I wish to stand in the way of constitutional advancement. The importance that I attach to our Treaties and other time-honoured factors is not only on behalf of the conservatives amongst the States, but I hope and expect that it will be shared by the majority of Princes in India.

Now, My Lord, I have said what I have to say, and I am extremely grateful to you, Sir, for having given me the opportunity of expressing my views.

Sir Tej Bahadur Sapru : My Lord Chancellor, In obedience to your behest, I would like to make the few observations I have to make as brief as possible, on the various points that have been raised on this side of the House or on the other. But before I do so, I shall crave the indulgence of my colleagues to remind them of something which we are apt to forget as discussion develops and arguments multiply. We are sitting here at this Conference upon definite terms of invitation which we accepted last year, and

which those who were not present last year, but who have come now, have accepted this year. The whole object of this Conference was—and, I should think, is—to see whether, on constitutional questions affecting the whole of the country, it was possible to arrive at a maximum amount of agreement. I have not the least doubt that, if the task of drawing up a constitution for India could be entrusted to any one of us, each one of us could give a complete constitution within 24 hours or less. But that would not represent the maximum amount of agreement. Nor do I think, in a Conference of this character, where we are sitting exclusively and expressly with the object of exploring our views for arriving at a common agreement, that there is much room for ultimatums or mandates or solicitors' notices. If there are differences which divide us, those differences must be solved. If there are different points of view which have got to be reconciled, they must be reconciled. We are not here, I fancy, to go back upon decisions which we arrived at last year—tentatively, no doubt, but with the distinct feeling in our minds that we owed it to ourselves and owed it to the country that, so far as possible, we would strive to bring into existence what I imagine to be a greater India. That is the whole object that we had last year in view, and that is the object that I think we have in view this year.

Now, My Lord, these being the conditions of the problem which we have to attack when dealing with the question of a federation with the Indian States, there are just a few facts which it is necessary to bear in mind in dealing with these questions. We are providing, or seeking to provide, a constitution for a country consisting of something like 350,000,000 people. Out of these 350,000,000 there are something like 80,000,000 in the States. If I am wrong in my figures, I hope I shall be corrected. We have also got to reconcile the claims of a Federation with the claims of Their Highnesses to sovereignty. Now, let me assure Their Highnesses—which I think it is perfectly unnecessary for me to do at this stage—that, so far as we on this side are concerned, we have never conceived any designs upon their sovereignty. On the contrary, we have always conceded and gladly recognised that, in regard to their internal autonomy, their sovereignty shall remain unaffected in the slightest degree. Therefore, what I venture to remind Their Highnesses is that it seems to me, if I may respectfully say so, perfectly superfluous at this hour of the day to remind us of Their Highnesses' claim to be sovereign Princes, and that they are anxious to preserve their sovereignty.

H.II. The Maharaja of Bikaner : Some others who were not here.

Sir Tej Bahadur Sapru : Very well. But it is obvious that, to the extent to which Their Highnesses agree to come into the Federation, there will be a derogation of their sovereignty to the new State which will come into existence, namely, the Federal State of India ; and I would beg Their Highnesses, and particularly His Highness The Maharaj Rana of Dholpur, to remember that the Federation which will come into existence will not be a Government of British India. It will be as much your Government as it will be ours. You will not then be dealing with an outside agency ; you will be dealing with an agency or with a Government which you can as legitimately claim to be yours as we can legitimately claim it to be ours. The decisions will be common decisions. The decisions will be arrived at upon a mutual exchange of opinion between the representatives of British India and the Indian States.

Therefore, let there be no such feeling that British India is trying to scheme itself into a position of superiority over the Indian States. I wish to say these things at this juncture because, to be absolutely frank, I have discovered a sort of undercurrent or a suggestion to that effect. Let me tell you that that is entirely absent from our minds.

Now, we have all had the pleasure of hearing His Highness The Maharaj Rana of Dholpur to-day. We feel that we have not had the advantage of having the scheme associated with his name placed before us. We wish it had been circulated to us. In the few observations that I shall make now I shall bear in mind the remarks which fell from His Highness The Maharaj Rana this morning. He has justly spoken of a Union of Indian States to precede the Federation. I should like, in all humility, to put a few questions—not by way necessarily of criticism, but in the expectation that, at some time or another, a reply will be forthcoming to them.

First of all, we on this side are entitled to know what is the strength of feeling behind that idea of confederation? How many of the Indian States out of the 125, or out of the 600 odd to which exception has been taken by His Highness of Bikaner, are committed to it? Then I should respectfully like to know, within what reasonable distance of time do the authors of that scheme expect that the idea of confederation will materialise. Also I should like to know what is to happen during that interval. Again, I should like to know whether they seriously think that it is to the advantage of the Federation that we contemplate, or whether it is to the advantage of British India or whether it is to the advantage of the Indian States, that two units should be ranged into opposite camps in a common Federation—British India claiming to have its own mandate and Indian India claiming to have its own mandate; and who is going to solve the problem when each section is going to have its own mandate thrust at the other. I should also like to know whether it has been seriously considered if this electoral college will at all be a workable and feasible scheme; whether the Indian States, big or small, will feel satisfied that the task which they ought to perform themselves in their individual capacity should be performed for them by a collective body like the Chamber of Princes. If they will feel satisfied, then I wish to ask them in all humility—and it is not for me to answer, it is for Their Highnesses to answer—what becomes of their sovereignty, to which they attach so much importance. They will be imposing upon themselves a super-sovereign in the person of the Chamber of Princes. Let me give them that warning. I will not deal with this question further. If His Highness of Bikaner, or His Highness of Baroda, or His Highness of Indore, or His Highness the Chancellor, do contemplate with equanimity the Chamber of Princes legislating for them on “Central” subjects, then I wish them joy of it in all humility.

These are some of the ideas that strike me as arising out of the speech and out of the scheme suggested by His Highness The Maharaj Rana of Dholpur. Frankly, I would have liked that scheme to have been circulated. I have my own point of view about it, but I will approach the scheme with the respect that is due to His Highness The Maharaj Rana of Dholpur and his other associates. I will approach it with an open mind; but I do give a warning—and I hope I shall not be misunderstood—that the scheme suggested by His Highness The Maharaj Rana of Dholpur is not one which will

facilitate the creation of the Federation which we have in view. I will not take more time over this subject.

Yesterday, His Highness The Chief Sahib of Sangli put forward the views of the smaller States. If His Highness will permit me to congratulate him on the speech which he made yesterday, I will do so with the greatest pleasure; and I venture to give him the assurance that nothing is further from the minds of us all on this side than that, in this confederation, the smaller Indian States should not receive their due and proper share. How that will be done is another question. We are all anxious that the Federation which we are trying to bring into existence shall be as wide and as complete as it possibly can be under the circumstances. At the same time I am aware that the constitution which we are evolving is not by any means perfect, and is not going to be perfect for some time to come. But may I respectfully ask what constitution is there in the world about which it can be claimed that it is perfect in all respects? A constitution is like a living organism; it must grow. It must grow in the light of experience, in the light of new knowledge, and in the light of new circumstances which must arise. Therefore I will make an appeal to both sides of the House that, if there are certain features of the constitution which do not strike one as being perfect either from a purely democratic point of view or from the point of view of the Indian States, let us not aim at too much. Perfection will come in course of time; but, meanwhile, our aim ought to be to get a working constitution with which we can make a good start.

Now, My Lord, there are just two or three essential propositions which require consideration. One argument which has been put forward on the other side of the House by Their Highnesses is that, in the case of a federation, there must be perfect equality between state and state. I will beg Their Highnesses to consider what exactly is meant by "equality" of a state in a federation; and I will venture to say, with great respect, that it is not necessarily a part of, or a basic element of, a federation, everywhere in the world that there must be equality of representation. There are federations in which there is equality of representation. There are other federations in which there is inequality of representation. We have been constantly reminded of the United States of America. There were historical reasons existing at the time of the American Revolution which compelled the American States, big and small, to adopt the system of equality of representation. On the other hand, there are federations, quite as important as the American, where there is inequality of representation. Let me remind Their Highnesses of one federation which it is quite fashionable to mention on the other side, namely the German Federation—the Bundesrat which we have heard so much about. I will not say anything in my own language, but I will just read a small passage from a standard book on the German Constitution. Mr. Oppenheimer says:—

“The vast difference between the German States in area and population, in wealth and in power, a difference unequalled in any other federal state, rendered it impossible to reduce, for instance, Prussia and Schaumburg-Lippe to a common factor, and had already in the German Confederacy caused the logic of international law to succumb to the logic of facts. The Bismarckian Constitution had adopted, with but slight variations, the distribution of votes in the old Bundestag, and

its republican successor has changed the principle, but not to a vast extent the practical result. when introducing the test of population. From the latter there are, however, two deviations :—

(1) Each State, even the smallest one—and the smallest one has less than 50,000 inhabitants—is given at least one vote, a clear concession to the federal principle ;

(2) No single state may have more than two-fifths of the total votes.”

Therefore, My Lord, I think that it cannot be predicated that there must be equality of votes. It is perfectly true that the political status of each single unit of the Federation will be equal to that of the others. At the same time, while I hold that equality of representation is not the necessary ingredient of federation, I also hold that, in the peculiar circumstances of India existing as they are, and in view of the great experiment that Their Highnesses have agreed to try in a spirit of confidence and co-operation with us, they are entitled, so far as the Upper House is concerned, to a certain amount of weightage. I maintained that view last year, and nothing that has passed since last year has convinced me that the view which I took last year was wrong.

H. H. The Nawab of Bhopal : Sir Tej said something about Prussia. Was it not the case that Prussia had 17 votes out of the 51 votes ?

Sir Tej Bahadur Sapru : In the old constitution, yes. I am talking of the new one. Even in the old one there was not equal representation. That was the point I was making.

H.H. The Nawab of Bhopal : I only wanted to point out that in Prussia, under the old constitution, they had 17 votes out of the 51, as I understand. Can Sir Tej confirm that ?

Sir Tej Bahadur Sapru : I do not exactly remember, but Prussia predominated. I can verify that, Your Highness is quite right that Prussia was predominant.

H. H. The Nawab of Bhopal : And Prussia's interests were two-thirds.

Sir Tej Bahadur Sapru : Yes. The point, Your Highness, that I was making, was that there was not equal representation of all States. There was not equality.

H.H. The Nawab of Bhopal : I would not have interrupted you, but I only wanted to make out that Prussia, the biggest part, had only 17 against one-third having about 34. That was my only point.

(At this point Lord Sankey left the Chair, which was taken by Lord Lothian.)

Sir Tej Bahadur Sapru : You are right, Your Highness, Prussia had a total of 17 out of the 51. I have just seen the book.

Now, I will just say that, in view of the peculiar circumstances of India, and of the great experiment that is going to be tried, and particularly in view of the fact that in the Upper House the States must be represented, I think the Indian States are in fairness entitled to a weightage. What

exactly that weightage will be is a different question. Their Highnesses have asked for 50/50 representation. I would beg them to bear in mind that while we, on this side, would be very willing and very glad to follow the advice which Mahatma Gandhi gave us on the first day—namely, that we should make it easy for Your Highnesses to come into the Federation—we should also like Your Highnesses to make it easy for us to accept the Federation and to carry with us opinion in British India. For this reason it was that I ventured to suggest last year that Your Highnesses should accept 40 per cent. of the representation in the Upper House and I was glad that yesterday Mr. Sastry took exactly the same view. Therefore I take it that, so far as representation in the Upper House is concerned, it is capable of adjustment. It is not one of those rocks on which we can wreck the ship. I was a little amused yesterday when I found opposition to the weightage of the Indian States from my friends Dr. Shafa'at Ahmad Khan and Mr. Zafrullah Khan.

Dr. Shafa'at Ahmad Khan May I just say that, when I was speaking on the quantum of representation, I was speaking on behalf of the whole group here.

Sir Tej Bahadur Sapru . I thought the objection was to weightage, to the very principle of weightage; and I thought the position was that the representation must be on a strict population basis. It came to me as a surprise that my friends over there should have lost faith in weightage. Frankly, I am one of those men who have always asked for weightage—I have no objection to it at all. But while it was being argued that the Indian States should not have weightage in the Upper House, I wondered where that argument would lead to in another committee. I will not say anything more with regard to that.

Mr. Jinnah : I think that is not quite the correct representation of our position.

Sir Tej Bahadur Sapru : I should like you to correct it.

Mr. Zafrullah Khan : Sir Tej Bahadur Sapru has neither paid me the compliment of listening to my speech nor paid me the compliment of reading a copy of it.

Dr. Shafa'at Ahmad Khan : And I say the same.

Sir Tej Bahadur Sapru : I should like to be corrected.

Mr. Jinnah : Yes, if you like. The correct position is this. We do not say that in no circumstances is a party entitled to claim weightage. The view that we take is this, that having regard to the fact that the Indian States are coming in only for certain specific matters which are of such negligible quantity for the purpose of an all-India Federation, and having regard to their stake, they do not need weightage. After all, what is the weightage for? The weightage is for the purpose of protecting the interests of a party. What is the interest of the Indian States which will not be protected if they are given representation without weightage? I see no ground that has been put forward yet which can convince us that their interests will be jeopardised unless they get weightage. That is the reason why we say we are not satisfied up to the present moment with any reason which has been put forward for giving them weightage.

Sir Tej Bahadur Sapru : Then I take it, Mr. Jinnah, that you are not opposed to the principle of weightage.

Mr. Jinnah : I am certainly not opposed to it, but the point is this, Sir Tej. I have not yet heard a single argument which would satisfy me that weightage should be given to the Princes as a safeguard because their interests will be in jeopardy or danger. That is the point.

Mr. Zafrullah Khan . With Sir Tej Bahadur Sapru's indulgence and Your Lordship's, may I just draw attention to two very brief extracts from my speech yesterday, in order to emphasise on what grounds I put forward the suggestion for the consideration of Their Highnesses. Those are these :—

“ The Federal Structure sub-Committee has made a recommendationthat the federating Units will be the Indian States or groups of States on one side and British Provinces on the other. Therefore, as I submitted in my very first speech in this Committee, there will be no question of preponderance of any Unit in this Federation. But let us go further than this theory and let us look at actualities for a moment. I realise that if British India were coming into the Federation as one Unit—if British India as one entity had common interests which might under some possible circumstances come into clash with the common interests of the States among themselves—if British India had one separate culture and the States another—if British India were inhabited by one race and the States by another race—if the people of British India were the adherents of one faith and the people of the Indian States of another faith—if there were any such cleavage or division between British India as a whole on the one side and the Indian States as a whole on the other—these would have been the strongest reasons for Their Highnesses insisting that, being the smaller partner in the Federation, they should be “ given a certain amount of weightage ; and that would have been met generously on the side of British India. But, happily, there is no such difference. As Their Highnesses have themselves said, very often the division of interests and the question of voting will be decided on the ground of regional distribution rather than on the question of the yellow or the red colour on the map.”

“ That being so, my submission is that, having regard to the fact that matters that are of supreme importance to the States and are peculiar to them are being excluded from the Federation—the Federation relating only to certain matters of common interest between Indian India and British India, and also including the policy, legislation and administration of certain subjects that are entirely British Indian subjects that are entirely British Indian subjects—I would beg Their Highnesses to reconsider this question of weightage.”

Sir Tej Bahadur Sapru : I can assure Mr. Zafrullah Khan that I listened to his speech with the utmost possible respect, and this whole paragraph was present to my mind. It may be my misfortune that I do not agree with him.

Mr. Zafrullah Khan : Yes I think that is so.

Sir Tej Bahadur Sapru :—But I should not like to plead guilty to the charge that I did not pay sufficient respect or attention to his speech.

Mr. Zafrullah Khan : You said I had given up the question of weightage.

Colonel Haksar : I do not want to interrupt Sir Tej Bahadur Sapru at this stage ; but might I beg that note be taken of the fact that, later, when you are in a position to allow me, I should like to refer to Mr. Jinnah's remarks, particularly the remark that the quantum of the proposed Federal scheme, viewed from the point of view of the States, is so negligible that they have no interests to guard ?

Sir Tej Bahadur Sapru : I do suggest that the Indian States are most vitally interested in matters which produce revenue, in matters which affect their exchequer, and in matters which affect their subjects. I suggest that, so long as there are matters like Customs and Railways, and things of that kind, which produce revenue, and which affect large tracts of territory in British India and the Indian States, they are entitled to see that their views are put forward adequately and by a sufficient number of representatives. On that principle I do suggest that it would be right and fair that they should get some weightage in the Upper House. That this is so will appear from the fact that, even in America, the test which has been adopted is not merely the population basis for the Upper House. I will only refer to the population of a few out of 48 of the States. For instance, the population of Massachusetts, New York, Pennsylvania, Missouri, and Delaware varies very much, and yet they have been given an equal amount of representation, which in the case of the small States means a weightage.

Mr. Jinnah : It is a very different federation from that which we are contemplating.

Sir Tej Bahadur Sapru : Similarly, in Canada, the Maritime Provinces are small in numbers and have weightage. I can give other instances. Therefore, I say that, so far as the Upper House is concerned, there is to my mind a good case for a weightage being given to them. Mr. Sastri suggested yesterday, and I repeat the suggestion, that Their Highnesses should agree to a 40 per cent. representation in the Upper House.

When I come down to the Lower House there are different considerations which apply. So far as the Lower House is concerned, I would beg to remind Their Highnesses that the position which we on this side have taken is that they must take certain steps to give a voice to their Legislatures where there are Legislatures, or to secure the popular representation of their subjects. There I would like to ask Their Highnesses why is it that they want a weightage in the Lower House ? For whose benefit is it, and in whose interest ? After all, when you bear in mind that there is going to be a provision for a Joint Session of the two Houses whenever there is a conflict within the two Houses on any material question, there does not seem to me to be any valid reason for weightage so far as the Lower House is concerned.

Coming then to the strength of the two Houses, a variety of opinion has been expressed at this session. It has been suggested in certain quarters that the interests of economy required that the Houses should be very small. On the other hand, it was suggested that, from a purely democratic point of view, it is necessary to try to secure representation of different interests, and that, therefore, the Houses must be very much larger. I

point out that, for the administration or the consideration of those subjects, perhaps a number so large as was contemplated by the Nehru Report, when they were seeking to frame a Legislature and a unitary kind of government, would not be required. That is all my point.

Sir Tej Bahadur Sapru : Sir Akbar, what I would say is this. You would be carrying with you this side of the Committee if you could persuade your friends of the Indian States to agree to every subject being a Federal subject. That is my answer. We will not have the slightest objection to that suggestion of yours ; but it is not for me to answer that question—it is for Their Highnesses to answer.

Sir Akbar Hydari : I do not think you will find much difficulty in getting the Indian States to agree to have as many subjects as possible going to the Provinces and a certain number remaining with the Centre ; and in that they come in.

Sir Tej Bahadur Sapru : I have had the honour of knowing that view for some time, but I have anxiously waited to have a pronouncement on that subject from Their Highnesses there. What I would say is this—that so long as we have a Federal list, and so long as we have a Central list, we have got to provide for both, considering that there is going to be one single Legislature for both.

Sir Akbar Hydari : Quite so ; but if the Central list is very much denuded, it will be very much less than the Central list at present.

Sir Tej Bahadur Sapru : I would beg Sir Akbar Hydari not to forget that he is also a British Indian ; and if he were not in Hyderabad but were living in Bombay, he would feel much more interested in the Central subjects than he would in the Federal subjects. And from that point of view democratic sentiment in India will not be satisfied, let me tell him, with a very small Legislature. Those two or three subjects in the Centre appeal more to popular interest than the dry subjects of the Customs and Railways, which require technical knowledge. It is for that reason that I say I agree with the suggestion of Mr. Sastri that the Lower House might be anywhere in the neighbourhood of 400 to 450. That is really a compromise between the two views which have been put forward from that side of the House and from this side of the House. I believe Their Highnesses suggested a Lower House of 300 or 350.

H.H. The Maharaja of Bikaner : 350.

Sir Tej Bahadur Sapru : 350—whereas Mr. Joshi suggested 600 to 700, and Mr. Sastri suggested 400 to 450. I suggest to Your Highnesses and all my colleagues here that we might come to a settlement on that figure, accepting the suggestion of Mr. Sastri.

Sardar Ujjal Singh : Would you have a Lower House of 400 even if you have an Upper House of 350 members ?

Sir Sultan Ahmed : Two questions will have to be answered : first, with regard to the heavy expenditure ; and, secondly, whether it will be possible, in view of the large part you are giving to the Provinces, to find a sufficiently large number of good and suitable men.

Sir Tej Bahadur Sapru : I will answer those two questions immediately. So far as finding a sufficient number of men in the country is concerned, I should not despair of finding one able man among one million men. Within 350,000,000 men, I do not think it is impossible, but I think it is very probable, that you can find at least one man among a million men who will be fit to sit in the Upper Chamber. So far as the question of economy of expenditure is concerned, that will have to be very carefully examined. But, with all respect to my friend, Sir Sayed Sultan Ahmed, and with all respect to Mahatma Gandhi, there is one word of caution that I would like to utter there. Experience in other countries has proved that democratic constitutions are much more expensive than bureaucratic constitutions. I mean, if there are any among us who think that, by adopting a democratic constitution, we are going to economise, let me tell them frankly that they are living in a paradise of their own. I will not use the ordinary expression! Party organisations will spring up; party funds will have to be brought into existence; all the machinery and paraphernalia of Western constitutions will have to be brought into existence before we can cope with our responsibility. Even though the salaries of the Services might be reduced to Rs. 500, even though a maximum amount of income might be prescribed for lawyers like Mr. Jinnah, still Mahatma Gandhi will have to face this problem, that he will have to find the funds to meet the requirements of the democratic constitution.

Mr. Gandhi : No, I shall presently seek shelter in Bikaner or Porbandar?

H.H. The Maharaja of Bikanar : You will be welcome there; we shall be honoured!

Sir Tej Bahadur Sapru : Now, there are only two more questions of importance which remain for me to deal with, and after that I shall be silent. One question of considerable importance which has been raised, and on which there has been a difference of opinion, is as to whether the quota which is to be assigned to Their Highnesses or to the Indian States is to be given to only to such of the States as may join the Federation at its commencement, or as to whether the States that join shall get only a *pro rata* share. I am quite aware that there are important considerations on both sides. On the one side, there is undoubtedly the feeling among the Indian States that, if only say 30 or 40 of them join, they will be in a great minority. On the other hand, there is this feeling among us on this side of the Committee—that if the whole of the quota is to be assigned to such of the States as prefer to join at this time, it will be putting a premium upon abstention so far as the other States are concerned. They may not like to come in at all, or they may like to come in after ten years or fifteen years; and, meanwhile, the few States which may join will exercise votes considerably larger in number than they should be entitled to having regard to the proportionate share that ought to go to them. For this reason, I would suggest, so far as the States which join are concerned, they must get their proper share. So far as the rest of the seats are concerned, they must remain vacant. If Their Highnesses are anxious to have safeguards to protect their own interests, I will beg of them to think of other lines of progress in that direction. But I do not think that, so far as British India is concerned, it will very readily agree to the whole of the quota being assigned only to two or three or four or five States which may decide to join.

Then, it was suggested yesterday and also to-day that, for the bringing into existence of this Federation, it will not be enough to have 51 per cent. of the Indian States or 51 per cent. of the population of the Indian States represented in the Federation. Well, I should have liked to have been given a definite figure which would have suited the views of Sir Samuel Hoar on one side, or of His Highness The Maharaja of Bikaner on the other. But that has not been done.

H.H. The Maharaja of Bikaner : They are not mine; they are the Delegation's views.

Sir Tej Bahadur Sapru : But my submission on that point is really this. It is premature to consider that question. Let the picture be completed. Let Your Highnesses be satisfied that the Federation is well worthy of your support; and if you come to the conclusion that the Federation is worthy of your support, then, to my mind, this question will be of more or less academic interest, because, for aught we know to the contrary, 75 per cent. of the Indian States, as Your Highness ventured to prophesy to the Conference last year, may come in.

H.H. The Maharaja of Bikaner : I still hold that view.

Sir Tej Bahadur Sapru : Then, as far as that question is concerned, I would like to wait before giving a final reply.

There is another question which has been raised, in which we British Indians are only indirectly interested, but in which, I must confess, we are interested; and that is the question which affects your internal relations and adjustments. On the one hand, it has been suggested by Sir Mirza Ismail and by Sir Akbar Hydari that, in the event of Your Highnesses refusing to come to an agreement (and I believe that Your Highnesses share that common weakness with us on this side), the decision must be left to an independent committee on which no partisan shall be represented. That was the view, I believe, of Sir Mirza. On the other hand, Your Highness read this morning a resolution passed by your Conference at Bombay, which, to my mind, more or less runs on the same lines.

H.H. The Nawab of Bhopal : It was passed by the States' Delegation.

Sir Mirza Ismail : Sir Tej, I did not say that, in the event of no settlement being arrived at among the States themselves, the decision must be left to an independent committee. I did not mean that. I meant that no attempt should be made to settle anything.

Sir Tej Bahadur Sapru : That is, after all, a matter relating to method and to machinery; and, so far as that point is concerned, subject to one important condition in which we are interested—namely, that the smaller India States shall be adequately represented—we will leave it to Your Highnesses to settle among yourselves. The best machinery that you can devise, you will devise. That is a matter for Your Highnesses, so long as we can come to a settlement on the main question as to what shall be your share and as to what shall be our share. These are the various questions to which I wanted to reply.

Before concluding I will venture to express one hope; and it is this. Difficulties are bound to arise in our way. There has not been a conference where critical situations have not arisen. I need scarcely refer to such critical situations in the presence of Lord Lothian or of Mr. Wedgwood Benn; they are more familiar with critical situations arising in International Conferences. Nevertheless, they have approached their task in an indomitable spirit; and I will venture to say to Their Highnesses, that we are so strongly committed to this idea of federation that, in my opinion, it will be betraying our trust if, on small, trifling points, we are not able to accommodate each other. The real thing is to get into existence this Federation. The task of perfection we should leave to the future.

H.H. The Nawab of Bhopal My Lord, May I make a statement? I do not want to comment one way or another on His Highness of Dholpur's scheme, because we are going to consider that among ourselves in our Delegation. His Highness referred to a questionnaire which had been issued by me, as Chancellor of the Chamber of Princes, to all the States. I think perhaps the figures will be helpful to this Conference, and I wish to have them recorded. The questionnaire was issued to 180 States belonging to the Chamber. Out of these, Hyderabad, Kashmir, Baroda, Gwalior, Nawanagar and Mysore, who are members of the Delegation, have not replied, but have expressed their views already in favour of federation. The States of Travancore, Rewa, Suket, Bharatpur and Kishengarh have not replied because, they say, they will await the complete picture before they give any opinion. In spite of the fact that only 15 days' time was given for the replies, 70 States have supported the Sankey scheme in principle, subject to their final confirmation and consent when the picture is complete; but they have expressed certain views in regard to details which are now being put forward from day to day by their representatives who are here. The States which did not reply have expressed their regrets for not having done so owing to the shortness of time. Replies from those members of the Chamber who are members of that body in their representative capacity have generally agreed with the principle outlined in the Sankey scheme.

(The Committee adjourned at 1-5 p.m. and resumed at 2-30 p.m.)

HEAD 4.

DISTRIBUTION OF FINANCIAL RESOURCES BETWEEN THE FEDERATION AND ITS UNITS.

The following points for discussion in connection with this Head were drafted by the Chairman :—

- (i) *Is there to be a "Central" Budget distinct from the "Federal" Budget?*
- (ii) *Is Public Debt—(a) past, (b) future—to be separated into "Federal" and "Central," and on what revenues is it to be charged?*
- (iii) *How are the revenues and expenditure of the British Indian Provinces which are not Governors' Provinces to be treated?*
- (iv) *What are to be the respective fields of taxation of the Federal and Provincial Governments? How far would it be feasible to assign only "indirect" taxation to the former and only "direct" taxation to the latter?*

(v) *To whom and for what purposes are the proceeds of Income-Tax in British India to be credited ?*

(vi) *To what extent, if at all, will Federation necessitate surrender, by federating States, of rights to raise revenue within their territories, at any rate by "indirect" taxation—(a) as regards existing taxes ; (b) future taxes ?*

(vii) *Under Federation, will there remain any foundation for a general claim on the part of the States to a share of "indirect" taxation imposed by the Federal Government, or to any profits accruing from Currency, Railways, Posts and Telegraphs, etc. ?*

(viii) *What principles should be applied in the case of (a) financial or material contributions made by some States, but by no British Indian Province, viz., cash payments, State Forces and territories ceded as the price of defence ; and (b) States which at present enjoy a measure of immunity from the incidence of the Sea Customs tariff and the Salt tax ?*

(ix) *Should the Federal Government have any control over Provincial borrowings ? Should there be a Federal Loans Fund ?*

(x) *Should Provincial Balances be kept with the Federal Government pending the establishment of a Reserve Bank ?*

PRELIMINARY DISCUSSION.

Chairman : Your Highnesses and Gentlemen, We have now come to the question of Federal finance. It was not to be expected that, at its first Session, the Conference would attempt to formulate any comprehensive scheme of Federal finance. Apart from the fact that this could only be done by an expert body, the main preoccupation of the Conference on the last occasion was to settle provisionally the political foundations of Federation, and the financial aspect of the problem was only touched upon incidentally. The importance, however, of devising an equitable scheme of Federal finance can scarcely be exaggerated ; for whatever form of constitution be decided upon, its success in actual working must largely depend upon two conditions : the first, that in the constitution the financial relations between the component parts of the Federation are precisely and wisely defined ; and the second, that the aggregate resources, actual and potential are equitably distributed, so that, if practicable, neither the Federal Government nor any of the Governors' Provinces will at the outset be unable to make ends meet.

I need not remind you that finance, at the present moment, is difficult for everybody, and one has to be extremely careful to do what is best in an exceptional emergency. This involves not only the formulation of financial provisions to be embodied in the constitution, but also an adjustment as between the Federal Government and the Units of the resources of the Federation.

I think you are wise to have decided that, in the first instance, after we have had a general debate upon the subject, this should be examined by the sub-Committee, whose recommendations you can review should you feel so disposed. With regard to that sub-Committee, I am very much obliged for the suggestions I have had with regard to it ; but I want to say this, that of course any group and any individual is entitled to have his expert

advise there. It is a subject on which you must all have expert advisers, and you will be perfectly free to have anybody you like to advise you. To avoid misunderstanding, it should, at the outset, be made clear that the matters dealt with are not directly connected with the question of financial safeguards, but are rather matters of domestic concern, affecting the internal relations between the Federal Government and the Units of the Federation. Particularly, I would ask you to consider—and the sub-Committee when it is formed, to consider—this : whether we are to base the financial system upon the assumption that the Provinces are granted the greatest possible measure of self-government. I will repeat that, because it is very important : are we to base the financial system upon the assumption that the Provinces are granted the greatest possible measure of self-government ?

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Mr. Iyengar : My Lord, The Lord Chancellor introduced this important Head for discussion with a collection of papers which, as has been suggested, rightly require examination and discussion in a smaller Committee, and I cordially endorse that suggestion. Indeed, it is my hope that, if the financial problems of the Federal Structure are solved so as to be just and equitable to all the interests involved—as the Lord Chancellor very rightly observed—solutions of many of the political problems of Federal Structure will be immensely facilitated and the inner Committee's discussions will be wholly fruitful in this respect. As you have desired that our observations at this stage should be more or less general, you will permit me to postpone any categorical answers to the points which have been put down, and to place before the Committee certain general lines of discussion and investigation in the sub-Committee, and the general principles that have to be followed in dealing with them. Before doing so, I would, in as few words as possible, elucidate what, in my view, are the constitutional implications of the change from Central finance, as now organised, to Federal finance, as we would have to organise it under the Indian Commonwealth.

Under Section 20 of the Government of India Act :—

“(1) The revenues of India shall be received for and in the name of His Majesty, and shall, subject to the provisions of this Act, be applied for the purposes of the government of India alone.”

Section 21 of the Government of India Act then recites :—

“Subject to the provisions of this Act and rules made thereunder, the expenditure of the revenues of India, both in British India and elsewhere, shall be subject to the control of the Secretary of State in Council and”—this is important—“no grant or appropriation of any part of those revenues, or of any other property coming into the possession of the Secretary of State in Council by virtue of the Government of India Act, 1858, or this Act, shall be made without the concurrence of a majority of votes at a meeting of the Council of India.”

I may remind the Committee, My Lord, that a proviso was added on account of certain doubts, entertained in legal circles some years ago, as to the validity of the authority given by the Secretary of State to the Government of India. The proviso runs as follows :—

“Provided that a grant of appropriation made in accordance with the

provisions or restrictions prescribed by the Secretary of State in Council with the concurrence of a majority of votes at a meeting of the Council shall be deemed to be made with the concurrence of a majority of such votes."

That means, in other words, that the actual appropriations made by the Governor-General or by the Local Governments shall be deemed to have been made by the Secretary of State in Council. The legal effects of these provisions relating to the proceedings of the Council of India, My Lord, were much debated on a famous occasion in the House of Lords ; but the doctrine of Cabinet responsibility of the Secretary of State in London has sufficed to put the Council of India out of action where British interests are involved.

Every financial power, therefore, exercised by the authorities in India is thus a delegated one, and the control of the Secretary of State in Council in financial matters is fairly complete. Though the actual transactions and powers in the hands of the Governor-General in Council are wide and large, they are derived from a clause in the Statutory Rule, now in operation, which provides that all monies derived from the revenues of the Government of India, or otherwise, by the Indian Government, are paid into the public account of which the Governor-General in Council is the custodian, and out of which he is authorised to make grants or appropriations in accordance with the provisions or restrictions prescribed by the Secretary of State in Council. The Secretary of State in Council is thus, under the present constitution, a corporate person capable of suing and of being sued, and it is this corporate personality of the India Office that should necessarily be brought to an end by the creation of the Federal Government for all India.

The British Indian revenues to-day moreover, comprehend the Central and Provincial revenues ; and the first step in the process, therefore, is to separate the balances and finances of both, and to vest the former in the Federal, the latter in the Provincial, authority. The Government of India's Ways and Means operations have also comprehended all these and other funds and reserves relating to Currency and Remittance transactions. They have also been acting as the bankers of the Provincial Governments, and, through the Auditor-General, as their auditing authority. I do not want to go into these details, except to emphasise that both the Indian States and the British Indian Delegates should clearly visualise the need for immediately altering the constitutional status of the Government of India. They should also perceive the need for readjusting Provincial finance in regard to Central finance, so as to put them both in accord with the scheme of federation.

I would, as a mere illustration, put the future position of the Federal Government in finance thus :—

" All revenues of Indian from whatever source arising, shall be received for and in the name of the Commonwealth, and shall, subject to the provisions of this constitution, be applied for the purposes of the Government of the Commonwealth in the manner hereinafter provided.

The revenues of the Commonwealth shall be paid to into the Public Account, of which the Governor-General is the custodian, and credited to the Government of the Commonwealth. The Governor-General shall, on the advice of his Cabinet, have power to prescribe by general or special order the procedure to be followed in the payments of money

into, or in the withdrawal, transfer and disbursement of monies from the Public Account, and for the custody of monies standing in the account."

In taking over the financial functions of the Government of India and of the Secretary of State in Council, the Federal Government and the Provincial Governments have to be separately vested. I do not refer to the State Governments, for the present, for there has been no constitutional or legal vesting of the State revenues or obligations, though I am aware that in many States there has been a great deal of indirect pressure and influence in respect of direct expenditure. The Federal Government and the Provincial Governments have to make adjustments of assets and liabilities as well as of resources and reserves on the one side, and of charges and expenditure on the other. It is for these matters that we have to rely for our information on the invaluable Memoranda given to us, and other official documents.

I do not propose to say much at this stage on the first category. The actual liabilities as classified are put at 1,001 crores covered by assets—including Railways and other commercialised and other productive assets—and of about 172 crores unproductive or, as you would call it, dead-weight debt. This latter debt is covered by a sinking fund, and is thus a diminishing liability, as will be also pensionary and superannuation charges in respect of past servants of the Government which we have to meet. As I shall have occasion, later on, to deal with the general policy to be followed regarding the sinking fund provision made in the Indian Budget for productive as well as unproductive debt, I need only say that I agree with the proposal now made, in the official note circulated to us, that the tentative decisions arrived at by the Federal Structure sub-Committee on the last occasion in regard to the existing debts and assets, should be modified. I agree that the only right course to take—and it is certainly to the advantage of all the Units including the States—is that the asset-covered part of the debts should be federalised, especially as they are provided with ample reserves and sinking funds, including Railways and other capital accounts.

As regards the 170 crores uncovered by assets, that remains a charge on the general ordinary revenues of India, and this is also covered by an ample sinking fund which will soon extinguish it. I agree that this burden should be settled equitably between the States and British India, but I would demand that a detailed scrutiny of all the items should be undertaken.

My friend Sir Provash Chunder Mitter, in his detailed facts and figures, pointed out that there are items—for instance that connected with the War Debt of the Indian Government—in which we can certainly examine the claim that the Indian States also should participate in that liability when we make a Federal Constitution. I may give another instance in that connection. Some part of this debt, I believe, is in respect of operations on the Frontier. Now, as Defence is going to be a Federal subject, the question whether the expenditure which has been incurred out of debt for these Frontier operations immediately after the War should not also be shared by the Indian States is, I submit, a matter which requires examination. On the whole, however, I do not expect that the allocation of the existing Public Debt, as between the Federation and the Indian States, will present any great difficulty to those who will be charged with this examination. Similarly, the question of the redistribution of Central and Provincial sources of revenue can be discussed in the sub-Committee.

Concerning the allocation of revenues and expenditure, it is, of course clear that the triple classification of service and subjects as Federal, Central, Indian and Provincial, is not exactly reproduced in the financial classification of resources and expenditure. On the other hand, as the Lord Chancellor's Note points out, even the proposal of the Government of India—that there should be a single Federal budget, with a *pro forma* distinction made between Federal and "Central" charges and a British Indian Income-tax to meet the latter and finance the Provinces with subventions—might well yield place to a scheme in which the distinction between "Central" and Federal finance should be broken down definitely. I will read that passage, because I consider it raises the general question of principle. The Note says :—

"It may be asked why, having gone so far, we should not go a step further and break down completely the distinction between Federal and "Central" finance? If this could be done, and if amalgamation could be effected without prejudicing the interests of any member of the Federation, not only would there be an immense gain in simplification, but important political results might follow. The Federation would stand for India, and a possible source of friction in the future between British India and the States would be removed, for so long as the distinction between Federal and "Central" receipts remains, a conflict of interests is bound to arise when it becomes a question of imposing additional taxation or of reducing existing taxation. Further, so long as there is a distinction between Federal and "Central" finance it would, in practice, scarcely be possible for a State subject to become Finance Minister."

That is a matter in which, I am sure, we would be able to obtain the sympathy of the Delegates of the Indian States.

It seems to me, in discussing particular proposals or principles of Federal finance, we are too apt to forget that financial-like economic doctrines are relative. The doctrine, for instance, that the Federal Government should depend entirely upon "indirect" taxation, and States' Governments should have full and exclusive control upon all "direct" taxation, is one that has important qualifications both from point of view of theory and experience and practical results. The nature of the services to be performed, and the charges on the revenue realised, have to be considered. A common assumption is that the revenue from Customs should cover expenditure on Defence and other external expenditure. The fallacy of this cannot be better illustrated than by contemplating the effect of allocating the present Customs revenue of the Indian Government for the entire Military expenditure of India, as the shortage in Customs revenue, which has been produced by the present financial crisis, is so serious that it is simply impossible to maintain the doctrine that Customs duty should cover even Military expenditure alone. Indeed, I should have preferred to premise all I have to say on this subject by the proviso that they are entirely hypothetical, and they proceed on the assumption that the normal conditions established in due course would approximate to the state of things that existed two or three years ago.

In the next place, the incidence of taxation is, and has always been, a difficult problem; and whether the incidence of a particular "director" tax, is exactly the same as intended is as difficult to settle as that of a particular

“indirect” tax. A “direct” Income-tax on Corporations and Companies may hit but few people, or millions, as the case may be. Again, a tax on consumption of articles of strictly limited use, such as particular luxuries, can always be levied with direct incidence on the persons that may be affected. It is the financial and political necessities of the commonwealth or the government concerned, and the pursuit of that equality and equity of taxation, which financiers seek so fondly to realise, that should ultimately guide the decision on the matter; and I would appeal to the representatives of the Indian States and British India alike not to tie themselves down by any hard and fast rule or preconceived notions as to future requirements and development, that we can hardly foresee to-day.

In Switzerland, the obstacles and restrictions on the Federal Government against the imposition of “direct” taxation actually broke down under the weight of heavy expenditure during the war period, and it was found much more effective and just, formally to amend the Constitution—to levy Income-tax and other “direct” taxes—than to call upon part governments or Cantons to pay the contributions they were liable to make for the purposes of the Federal Government in emergencies. Germany started with a restriction against “direct” taxation, and has ended by placing unlimited financial powers in the hands of the Federal Government. In the United States also the power to levy Income-tax was formally adopted as the Sixteenth Amendment of the Constitution in 1913, and it now yields two-thirds of its total revenue. I need not recite other examples. Circumstances have forced all the federations to levy “direct” taxes, and I think it is our business to profit by the experience of federations, particularly in financial matters.

There is one other matter in this connection, My Lord, to which I would just make one reference, lest I should be considered to have omitted it; and that is in regard to the distribution of Federal and Provincial or State resources, and the question where the residuary powers of taxation reside. All that I can now say is that I hold very strong views on this question of residuary powers, whether it be in the field of legislation or of taxation. I think that a good deal of misconception, a good deal of confusion of thought and language has prevailed in the discussions, which I have had the pleasure to peruse, which took place during the last sitting of the Federal Structure Committee. I feel that this question, if examined thoroughly, would be found to be of more or less academic importance. I therefore think that the subsidiary Note which has been prepared for our use by the Government, which deals with this question, lays down all the considerations which should govern us in deciding on this matter. This Note, in paragraph 40 of the second Memorandum, refers to the question of what is the extent of control which the Federal Constitution should exercise over taxable resources throughout the country—that is, within the states concerned—and it has given certain general rules which may be imposed. I therefore would, in dealing with it, without laying down hard and fast rules, put down one or two general principles and just say one or two words on that. The principles that I would adopt are that there should be no internal trade barriers—

Sir Maneckjee Dadabhoy: Excuse me one minute—internal trade barriers between Province and Province, or between the States and the Provinces?

Mr. Iyengar : Between all the Units of the Federation, of course.

Mr. Sastri : Would you admit the principle that compensation should be made wherever there exists such ?

Mr. Iyengar : No ; the question whether we should make compensation where there is an existing resource, of course, has to be considered, as also whether other resources can be set apart in substitution for it. There will be other sources out of which these States can recoup themselves, and there will be other means of taxation besides internal Customs barriers.

Mr. Joshi : May I ask whether you include octrois ?

Mr. Iyengar : Yes, of course. They are all referred to, you will find, Mr. Joshi, in the Note of the Finance Department—octroi, excise and internal Customs and so on.

Sir Provash Chunder Mitter : I know, but it is not mentioned there that the municipal authorities will abolish their octrois.

Mr. Iyengar : I think it is most mischievous to have octrois. One of the fundamental concepts involved in a federation, as it is understood by all constitutionalists, is the securing of equality in fiscal matters as between the states. Indeed, next to national defence, the principal motive for the formation of federations in the past, and at present also, I believe, has been the desire to establish those conditions that are essential for the free development of trade, industry and commerce throughout the whole of the federating units. I was glad, therefore, when His Highness The Maharaja of Bikaner definitely declared in the course of his speech on Tuesday, on Head 3, that there should be no discrimination against the States and their subjects in regard to taxation or any other matter—a point on which I venture to think all will be agreed. Therefore, while it would be improper for the Federal Government or the Indian Provincial Governments to impose discriminatory taxation against the States and their subjects, it follows equally, I take it, that it would be improper for the States to impose discriminatory taxation of any kind against British Indian subjects, and that the removal of internal tariff walls must be an essential feature in an all-India Federation.

Sir Akbar Hydari : Would you call this discriminatory internal taxation ? If everything which is imported, whether by a British Indian subject or whether by a Hyderabad State subject, is subjected to a Customs duty, would you call that a discriminatory taxation ?

Mr. Iyengar : No ; if all goods consumed, whether by Indian State subjects or whether by British subjects, were subject to a common outside Federal tax, there could be no discrimination in it.

Mr. Joshi : That is not what Sir Akbar is putting to you.

Mr. Iyengar : Would it be discriminating if you imposed a Customs duty not only upon the Hyderabad State resident but also upon a British resident ? No. British residents, when they reside there, take, if I may say so, a temporary domicile in Hyderabad.

Mr. Sastri : You mean that would be contrary to your previous definition.

Mr. Zafullah Khan : Will not that be a trade barrier, according to you ?

Mr. Iyengar : Yes. There are other important questions which arise in the reconstruction of the financial scheme, which have to be dealt with by expert committees. The question of borrowing powers and facilities for the Federal and Provincial Governments is one which is dealt with in the note supplied to us. My friend, Sir Provash Chunder Mitter, has very rightly pointed out that we should set up this Federal Loans Board, which we must try to persuade all the Provinces and Indian States to join, on such terms as may be equitable to all. There is again the question of Audit, to which my friend, Sir Provash Chunder Mitter, referred. At present there is a great advantage, no doubt, in the maintenance of an independent Audit under the direct control of the Central Government for Provincial accounts. That is an advantage that we should not like to miss ; but the independence of audit need not necessarily mean that we should give up the right of each State, or of each Province, and of their Legislatures, to prescribe their expenditure, and to employ this Audit Department for their own purposes. Therefore, while I would advise the co-ordination of Provinces and States in a common Audit organisation, and they should avail themselves of the present Indian Audit Department for that purpose, I would do nothing which would set up any outside authority as against the Legislative sovereign authority, or the sovereign authority of the Indian States, which would detract from their power to provide for whatever form of independent audit each may think it proper to institute. That will dispose of the question.

Mr. Sastri : I do not follow what you mean. Do you mean that you would lend your Central Audit organisation ?

Mr. Iyengar : We will place it at their disposal. For instance, take the subject of agriculture, or of any of the other services common to all the Provinces, there is a scheme of co-ordination and a common interest. There are various subjects of Provincial importance in which the Central Government, or any Federal Government for that matter, may find it proper and necessary to do whatever is essential for co-ordinating their work, and for putting them in touch with similar organisations outside, or governments which do similar work, such as, for instance, the International Convention of Labour, or of Hygiene, or of Sanitation. For all those purposes, I take it, the Federal authority will be in operation; and, in doing that, they will have to act in co-operation and co-ordination with Provincial Governments.

Mr. Gavin Jones : Do you agree to the borrowing ?

Mr. Iyengar : The borrowing I would put into the hands of an Indian Loans Board. That Loans Board will be the body through which, as in Australia, Provincial Governments, if they want to do so, can secure their loans. When the Central Reserve Bank is established, I take it that the Government of India will cease to have any Banking functions either for the Provinces or for the States, and it is open for the Provincial Governments and for the States to avail themselves of that Loans Board for their operation.

Dr. Shafa'at Ahmad Khan : The operation of what ?

Mr. Iyengar : Loans.

Dr. Shafa'at Ahmad Khan Not co-ordination of all expenses ?

Mr. Iyengar No ; co-ordination in respect of common services which they may agree to. It is purely by agreement. Certainly it will not be an imposition.

Sir Akbar Hydari : Do you want to part with the Reserve Bank ?

Mr. Iyengar : I am only saying that, when the Reserve Bank is established, the Government of India will cease to fulfil any banking or currency functions.

Sir Akbar Hydari : With regard to the question of administering loans and so on, would you take it over as part of the duties of the Reserve Bank ?

Mr. Iyengar No. I would place the borrowing powers, or the provision of loans for States, or for the Provinces, or for the Federal Government, in the hands of an independent Loan authority.

Mr. Gavin Jones : To control it ?

Mr. Iyengar . Yes ; to be their agents.

Mr. Gavin Jones : Do you mean to control or to advise ?

Mr. Iyengar : It may perform the functions of a bank. I think that we have a parallel in Australia. If we start them with certain resources, and they are given the authority, to disburse loans on their own terms, they may perform the functions of a bank very easily. I will develop that scheme later. We are not on it to-day.

Similarly on the question of railways, I shall say only one word. Railways, so far as we are at present agreed, are to be under Federal control in so far as they are now under the Central Government's control—in respect of particular State Railways—through the Railway Board. I would develop the matter, and I would place before the Committee the suggestion, in regard to these railways, whether it may not be possible to preserve the proprietary rights or the interests which the States may possess under a scheme of common ownership, vested in an authority who could distribute profits in proportion to the proprietary rights of these units. That is a matter also which I am only suggesting, because they have such a scheme in operation, for instance, in my Province, where a District Board and Railway Company own a common railway. There is also the question whether the surplus revenue, *i.e.*, the profit now earned by Indian railways, should be a Federal asset, and to what extent, if it is to be a Federal asset, the units representing the States should be allowed to participate in the benefits of that asset, and what concessions they may make as against that. Those are matters which, I think, had better be thrashed out in the sub-Committee. It may be for instance, that if we find that the railways really cease to yield a profit, and all that can be done for some time is to see that the Indian railways are able to maintain their reserves and sinking funds, they can eliminate railways from this discussion as a revenue yielding source ; and they will then be in a position to discuss what other financial resources should be commonly shared, and what other financial liabilities should be commonly incurred by the Indian States and the Indian Provinces.

(The Committee adjourned at 4-35 p.m.)

PROCEEDING OF THE THIRTIETH MEETING OF THE FEDERAL STRUCTURE
COMMITTEE HELD ON THE 25TH SEPTEMBER, 1931 AT 11 A.M.

HEAD 4.

DISTRIBUTION OF FINANCIAL RESOURCES BETWEEN THE FEDERATION AND
ITS UNITS.

PRELIMINARY DISCUSSION (*concluded*).

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Chairman : The Federal Structure sub-Committee on Finance will meet at 2-30 on Monday who will be very thankful to hear that Lord Peel has accepted the chairmanship of that sub-Committee. I just want to say this. I hope that soon the British Parliament will be engaged in discussing this question, and therefore I am very anxious that we should have on this Finance sub-Committee men who will have to explain it when it comes before Parliament. I think it is very important, therefore, that we have got Lord Peel, because, in the House of Lords, when a Bill comes on, he will have been all through it and will be in a position to explain it. With regard to the sub-Committee, I have made enquiries from all the various groups, and Their Highnesses have suggested the four that we are going to appoint for them. Sir Akbar Hydari, Sir Mirza Ismail, Colonel Haksar and Mr. Krishnama Chari. For the British Indian group, we are going to appoint Mr. Benthall, Sir Maneckjee Dadabhoy Mr. Iyengar, Sir Sayed Sultan Ahmed and Dr. Shafa'at Ahmad Khan. Major Oliver Stanley, M.P., will be a member ; and, with regard to the two financial experts that I suggested to you, I am very glad to say that we shall have on this sub-Committee two men with experience as Financial Secretaries to our Treasury—Mr. Pethick-Lawrence, who was the Financial Secretary to the Treasury in the Labour Government, and Major Elliot, who is the Financial Secretary to the Treasury in this Government. I am very thankful to say that they are members of this Committee, and that they can both come on the sub-Committee. We have thus the advantage that, when this matter does come before Parliament, we shall have in the House of Commons, to explain it, Major Oliver Stanley, Major Walter Elliot, and Mr. Pethick-Lawrence. That will be a great advantage to us. And we shall have Lord Peel in the House of Lords.

With regard to the terms of reference I do not think there is much difficulty. They are as follows :—

“ To appoint a sub-Committee to examine and report upon the general principles upon which the financial resources and obligations of India should be apportioned between the Federation, the British Indian Units jointly and severally, and the States Units.”

I hope very much that the Committee will be able to finish its work in a very short time.

(*The sub-Committee adjourned at 1-30 p.m.*)

PROCEEDINGS OF THE THIRTY-FIRST MEETING OF THE FEDERAL STRUCTURE COMMITTEE HELD ON MONDAY, 5TH OCTOBER, 1951, AT 11 A.M.

ADJOURNMENT

Chairman : Your Highnesses and Gentlemen, The notice convening this meeting of the Federal Structure Committee is in the following terms :—

“The Committee will meet on Monday, 5th October, at 11 o'clock in the Drawing Room, St. James's Palace, instead of at 11-30 as previously arranged. It is understood that a proposal will be made on behalf of some members participating in the informal discussions now proceeding on Minority questions that the Federal Structure Committee should adjourn in order to make sufficient time available for these discussions.”

Does anybody wish to say anything on that ?

Pandit M. M. Malaviya : I propose that this Committee should meet next Friday, in order to give further time for the discussions that are going on in the Minorities Committee.

Chairman : You think that that will make sufficient time available for the discussions.

Now, Pandit Malaviya, I quite see that point. Of course, as far as we are concerned, we are here with all our information and all our staff and I do not know how many alternatives, and we are not only willing but we are ready to go on now ; but I quite appreciate your difficulties, and if you desire a little delay, by all means, I think, subject to what anybody else says, you ought to have it. But I am sorry for the delay, because we are very, very anxious to push on, and I rather gather that some of you think that you would like to return to India some time this year.

It has been proposed by the Pandit Malaviya that we should not meet until Friday. Has anybody anything to say about that ?

H.H. The Nawab of Bhopal : We have no objection.

Chairman : Sir Akbar ?

Sir Akbar Hydari : No objection. We want to meet the wishes of the party opposite. .

Chairman : I had hoped for a very long day to-day ; but I do see that every opportunity ought to be taken to settle this difficult question. I am only going to say one thing. Personally I am getting a little tired of debates ; I want decisions. I am quite sure you will help to get decisions ; and, if a little delay will contribute to a satisfactory settlement of this question, nobody will be more pleased than I shall be.

Mr. Jinnah, have you any point on this ?

Mr. Jinnah : No, Sir.

Chairman : Sir Muhammad ?

Sir Muhammad Shafi : No, Sir.

Chairman : Very well—11 o'clock on Friday ; but I think that must be peremptory. I think we really *must* start. I am sorry for the delay,

but I must say I think you are justified under the circumstances in asking that the proceedings should be delayed for a short time.

(The Committee adjourned at 11-14 a.m.)

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PROCEEDINGS OF THE THIRTY-SECOND MEETING OF THE FEDERAL STRUCTURE COMMITTEE HELD ON FRIDAY, THE 9TH OCTOBER, 1931, AT 11 A.M.

ADJOURNMENT.

Chairman Your Highnesses and Gentlemen, Before we proceed to any discussion this morning, I would ask your permission to make a few remarks on the situation in which we find ourselves. We are all naturally disappointed that the Minorities Committee has failed up till now to reach a final agreement on the difficult problem which was referred to it; but I, at any rate, am not dismayed—I am not even downhearted.. On the contrary, in my view the situation is excellent, for we are all determined that this Round Table Conference shall not fail, and that this Federal Structure Committee shall continue its work and bring it to a successful conclusion.

If we failed we should be the laughing-stock of the world. But there is something far more serious and far worse than that. What is to happen in India if we are not successful? I shudder to think.

In a few weeks' time you will be returning to your own delightful country, and your friends will meet you as you land at Bombay. They will ask you "What have you brought back for us?" Is your reply to be "Nothing?" They will ask you "What have you done?" and is your answer to be "We have done nothing at all?" My friends, you have come thousands of miles to attend this Conference. I know—for many of you have honoured me by your confidence—that many of you are here at great personal inconvenience and great professional loss. Have you made all these sacrifices merely to persist in disagreement? Believe me, there is not an Englishman here who is not longing to help you and to see India a nation, with all its classes and all its communities dwelling together in unity, and with their leaders (many of whom I see before me) joining together to ensure the happiness of 350 million men and women. If any member of this Committee had only himself to consider, he would be at liberty to walk out of this room and go for a well-earned—and may I add in respect of many of you—a much needed holiday. But we are not at liberty to consider ourselves only. Upon our remaining here and coming to a decision rests in a great measure the well-being of one-fifth of the human race.

Again I say we want to help you. You know I do. But you must first learn to help yourselves. One thing we all have to cultivate, both now and in any future Federal Government—and that is the will and the desire to agree. Without that there can be no present and no future success. Forgive me for telling you: you have captured the heights; you are within sight of the promised land for which you and your fathers have waited so long and so patiently. When success is in your grasp, are you going to let it slip? Are you going to turn your back on that promised land, and retreat to the desert of disagreement and the chaos of non-co-operation? How can you walk together unless you be agreed? Do not be discouraged. Let us

make another effort. It is possible for you to see with your own eyes the desire of India accomplished. Do not imagine that your children's children alone will have that satisfaction. It is for you to decide whether you shall see it yourselves.

With regard to minorities, you will expect me to say something. I have purposely stood aside, because my work has been here, and not on the Minorities Committee: but it may help you to have the views of a fresh mind upon the subject. I realised from the beginning that it is no doubt the most difficult of all the questions that we have to decide. You will forgive me for saying this—that as I realised that at the beginning, I realise this now, that every member has honestly done his best to come to an agreement upon the subject. There is not one of you who does not want an agreement, but you are quite rightly (and I do not blame you) advancing your own points of view. In my view, the immediate question with regard to the minorities is not what the settlement shall be, but the method by which there shall be a settlement. I would ask you to turn your attention to that for the next few days. You have tried your best to get a settlement I am not blaming you, but let us see now what is the best way of getting a settlement.

With those few words I want to offer you a suggestion with regard to future procedure, and perhaps you will allow me to adopt tones not quite so serious as those in which I have been speaking to you. I do not know what you think, but I should think that you must all be tired of memoranda, minorities, and midnight meetings. I should think that you would be glad to have a rest for a day or two, or for several days for that matter.

I was very sorry that, when you came over here, a General Election should have delayed matters. I was sorry for two reasons. First, because I think that the coming on of a General Election did to some extent distract attention from our work. When you came over here on the last occasion in November and December, you occupied the centre of the stage, and a great work was done in educating public opinion. This time, unfortunately, the General Election has rather monopolised public attention; but as you know it is all ill wind that blows nobody good. I thought to myself last night: "I am not sorry that they are over here during a General Election, because they will soon be having a General Election themselves in India, and they will know a little about it." For example, some of you will know exactly what to call each other for three weeks. And, if one distinguished member will allow me to say so, I am looking forward with great interest to receiving a copy of the "Hindu" with the first leading article on the state of parties at the first Indian General Election. I hope it is not all a waste of time, therefore.

Now I am going to suggest this. The subjects we are going to discuss you cannot discuss as tired men, and I do not think it is much use going on very far, if at all, to-day. But I have a piece of good news for you. Thanks to Lord Peel and the other members of the Finance sub-Committee, they have just signed what is in effect a unanimous Report. Just when things look pretty bad, it is a great thing to think that there is something which is all right.

I think the best thing to do, subject to what you say—because it is a matter for you—is that we should take that Report on Tuesday. I will get

it circulated to-morrow, and if you take my advice you will not look at it on Sunday. We can discuss it on Tuesday, and we have the advantage here of a very distinguished expert sitting next to Sir Muhammad Shafi (Sir Purshotamdas Thakurdas), who is just in time to help us with some deliberations on that Report; and that Report is a very big step forward.

The next thing I would suggest is this. I do not know how long that will take, because the matter is a difficult one and I should like to hear opinion on it, but I am very anxious to get this next—I am very anxious to get the Federal Court settled, because I think that, if we get that on to good sound lines, it will be a very great help in the determination of many questions which I do not want to go into at present. I will circulate, if you will allow me to do so, on Monday, a document about a Federal Court, so that when we have finished the Finance question we will at once get on to the question of the Federal Court, and when we have finished the Federal Court we will get on to all those questions—and there are a good many of them—in the document I have circulated to you, which are really not affected to any extent, if at all, by the communal question.

Now, in that sort of way we shall be able to make very considerable progress, and during that time you will be discussing other matters; but, if I may again advise you, the sort of thing I would advise you with regard to minorities is to concentrate for a while, not on what the settlement is to be, but on what way the settlement is to be obtained. I do not want to discuss that now—I know perfectly well the suggestions which have been put forward, and so on—and I think in that sort of way we can continue our deliberations.

The General Election will not make any difference. We will sit here, and after this short rest and short adjournment go on in this way, if that commends itself to your view. What do you think of that, Sir Muhammad Shafi?

Sir Muhammad Shafi : The suggestion made by you, Lord Chancellor, is acceptable so far as we are concerned.

Chairman : Thank you very much. Now, Mr. Gandhi, what sort of view do you take of this?

Mr. Gandhi : Well, Lord Chancellor, I know that I have been somewhat instrumental in postponing the deliberations of this Committee; and, being in that unfortunate position, I now feel some diffidence when I say that we cannot afford to waste a single minute. We have come, as you very properly say, all these several thousand miles in order to work, and not in order to seek recreation or holiday; so I would certainly say that, if it is at all possible, we should go through the work of the Federal Structure Committee without waiting for a single minute. If at the back of our minds, individually or collectively, the thought is lurking that, even though we might be sitting over the deliberations of the Federal Structure Committee, we would be really marking time until the minorities question is settled—if that really is the feeling which we would not or we dare not express—then I would suggest that we express that feeling and come to a decision.

I myself endeavoured to express my own deliberate opinion yesterday that there is not that absolutely vital connection with the work of this

Committee. The minorities question is undoubtedly a very important, if not the most important, question. It has always occupied in my own mind its natural place, but it has never overshadowed the other equally important consideration. And, after having laboured at this question for seven days, I saw more clearly than I had seen before that probably the minorities question would not be satisfactorily settled unless the great fundamental questions were settled. That being my conviction, I should like the proceedings of this Committee to be clothed with reality, and that, on several heads which you, with your amazing industry, have been piling upon us from day to day and week to week, we should come to summary decisions instead of making speeches. Therefore, if I may give my opinion without any mental reservation whatsoever, I would suggest that, if we really feel, as I feel, that we should consider and face the questions that are before this Committee on their merits, irrespective of what may happen in connection with the minorities question, then I say that we should sacrifice every holiday; and I know that we shall get the strength to go through this work without coming to grief if we mean serious business.

But I repeat, as I conclude, that if at the back of our minds the impression is that we should continue to work and yet not work, I think that it would not be just to India, it would not be just to ourselves, and it would not be just to the British Ministers either. Therefore, I feel most strongly that we do not need any holiday. Every minute that we have is really pledged to this work and no other.

Sir Tej Bahadur Sapru : My Lord Chancellor, I really do not think there is any difference of opinion between what you said just now and what Mahatma Gandhi has said.

You also said just now that you would like to take up the question of the Federal Court. I believe—and it is my honest conviction—that the Federal Court is going to play a very great part in the constitution of India, especially in relation to the minorities themselves. As it has happened elsewhere, so it will happen in India, that a great deal of protection to minorities will come from the jurisdiction which you may confer upon the Federal Court. For instance, the question of the interpretation of the constitution, and the question of the enforcement of fundamental rights on which we are all very keen, will be within the province of the Federal Court. Therefore, if we take up the question of the Federal Court on Tuesday and devote a few days to it—possibly two days to it—I do not think we shall be wasting our time at all.

I did not understand Your Lordship to say or suggest that you intended to side-track the work of the Federal Structure Committee so far as it relates to those heads which have not yet been touched.

Chairman : Oh, no.

Sir Tej Bahadur Sapru : We are going to progress up to them stage by stage; and I should be very sorry indeed if, on account of the failure of our work on the Minorities Committee, we in any way weakened our position and allowed time merely to pass by deceiving ourselves that we were doing work while we were not doing any real work. If you will permit me to say one thing, I will say it; and I will speak with all the emphasis and all the

candour of which I am capable. Not only has it been disappointing to you, the British members of the Committee but it has been disappointing to us all that our efforts should not have been crowned with success. I have not the least doubt that every one of us realised the importance of the question of minorities, and frankly I think that it is a most vital condition of our success that we should come to a satisfactory solution of the minority problem, rather than allow the situation to deteriorate from day to day. I also realise that the reactions of our failure on that question in India will be very serious—far more serious than we are prepared to own or than we are prepared to realise.

That question has got to be settled, must be settled, and will be settled some day or somehow by some one. It may be by ourselves; it may be by any other method. As Your Lordship said just now, the real question is as to the method of settlement and we have got to apply ourselves to it undaunted by the failure that has attended us so far. Although unkindly critics may say that we have betrayed and incapacitated a settlement of an important question like this, I will say this in our self-defence, that we are not the only people who have met and failed to arrive at a settlement on some important question. I will appeal to Your Lordship's experience of international conferences. Occasions have arisen in recent European history when everything seemed to be on the breaking point; and when parties had discussed things again and yet again, they met and brought about a settlement. If we are serious about our business, and if there is any earnestness about it, I think that we owe it to ourselves, we owe it to our country, and we owe it to yourselves, that we should again seriously tackle this problem; and, if we can present you with an agreed settlement on this question, I do not think that there is anything better to hope for. Supposing that we are unable to come to an agreed settlement on the various questions that divide us, we should at any rate be able to arrive at a settlement as to the method by which we have got to approach this question.

I will not discuss the question of the method at all, as I do not wish to prejudice any ideas upon that particular question. Of one thing I am quite clear. Every one of us realises, and ought to realise, that the failure of this Conference means a disaster to us in India. A state of things which I dare not contemplate may supervene the failure of this Conference, and probably many of us must revise, under the necessity of circumstances, our preconceived ideas. I believe that every one of us holds his conviction very dearly; but, when the question of settlement arises, I think that we have to revise many ideas on the question. I do still hope that, notwithstanding the disappointment that has arisen on account of the failure of our work there, we shall be wise before it is too late. It does not matter to me whether those who are here are here in a representative capacity or in any other capacity. We are capable of arriving at a settlement. Surely the men who have assembled here, if I may very modestly and humbly say it, represent some of the best elements in my country; and it will be a serious reproach to us if, at the end, we have got nothing to say but that we have tried again and we have failed. In that spirit I am prepared to support the suggestion that our work should go on uninterruptedly. What particular head we shall take first, and what particular head we shall take next, is a matter which I should leave absolutely to your discretion. So long as our work takes us

one stage further towards the completion of the work, I should be satisfied. I have nothing more to say.

Mr. Zufrullah Khan : Lord Chancellor, Sir Muhammad Shafi, on behalf of the Muslim Delegation, has already expressed our willingness to co-operate in the work of this Committee to the extent to which you have outlined the immediate feature stages of the work of this Committee. Mr. Gandhi has made an appeal that, when we express our views with regard to the programme of the work of this Committee, we should have no mental reservations. It is only in order to avoid any misunderstanding at any subsequent stage that I, on behalf of the Muslim Delegation, desire to supplement what Sir Muhammad Shafi has said.

We consider that, so far as some of the very outstanding questions are concerned which have to be dealt with by this Committee, it would be impossible to enter upon any discussion of them so long as the question of the Safeguards for the minorities is still pending, and the principles of that question have not been settled. It is not in any spirit of resentment or irritation or obstruction that we wish to make that submission. It is because we feel that, under those circumstances, we would not be able to give any assistance whatsoever towards the solution of these questions that we take up that position. All that we would be able to do in that case, if you called upon us, Lord Chancellor, to express our views with regard to those questions, would be to say something like this : “ If *this* is secured, and *this* is guaranteed, and *this* is not interfered with, and *that* is not moved, and *that* is brought a little nearer, then we think *this*.” We should have to say “ If any of *these* factors is changed, then we think otherwise ; and if there is any change in *that* direction, then we think in another fashion.” I leave it to you to appreciate what kind of help we would be rendering to you in that case. I believe we would only be adding to the difficulties and perplexities of the question rather than contributing towards its solution.

That being so, I must make it perfectly clear that our willingness to continue to participate in the work of this Committee with regard to the two stages at present outlined by you, Lord Chancellor, is based on the desire that, while we are still considering the question of the Safeguards for minorities, we should not lose, as Mr. Gandhi has said, a single minute of the time.

Nobody can say that the question of Federal finance or that the question of the Federal Court is a whit less important than any of the other questions which this Committee has to consider. We feel we can go on with the discussion of those questions, inasmuch as no aspect of those questions does in any way affect the communal question ; and if, by the time we have finished with the discussion of those questions, we can discover any other topic which is to the same extent entirely free from communal considerations, we would be willing to go on with the consideration of any such questions.

It must be realised, however, that the moment we were faced with a question which, directly or indirectly, involves or affects any communal consideration or any rights of or Safeguards for the minorities, we would not be able to discuss that question or make any contribution towards its solution until at least the principles of the Safeguards for minorities and the safeguarding of various interests have been settled to the satisfaction of the

different interests and, so far as we are concerned, to the satisfaction of our Delegation.

With regard to this I might draw the attention of this Committee to what was said yesterday by Sir Muhammad Shafi in the Minorities Committee with reference to a remark that fell from Mr. Gandhi that the decision of the minorities question may be left for settlement by a judicial commission. With reference to this remark, Sir Muhammad Shafi observed that, in making this remark, Mr. Gandhi overlooked one vital factor in the question, and that was that no constitution could be framed—left alone that the constitution as framed should contain a provision as suggested by Mr. Gandhi—till this question was settled. Let me also draw the attention of the Committee to one or two observations which the Prime Minister made in the Minorities Committee on this question :

“ There is another point I want to put to you. Will any of you tell me, quite honestly, that the continued existence of this problem unsolved can be overlooked either by yourselves if you were drafting your own constitution or by His Majesty's Government if it were trying to draft a constitution for you ? I bring you up against facts. You know perfectly well—especially every one of you who has been in public life and has faced the practical problems of public life—you know perfectly well that whilst this problem is unsolved it puts an enormous obstacle in the way of constitution making for India, not simply because that constitution must be drafted by His Majesty's Government under present circumstances, but supposing I said to you on behalf of the Government, and supposing Parliament agreed ‘ Take the business over to yourselves,’ why, you know perfectly well that you could not go six inches without coming to a deadlock.”

That is perfectly true.

May I wind up by submitting that, at one time, the importance of the solution of this minorities problem was considered so vital by Mr. Gandhi himself that, at a meeting at the Viceregal Lodge, towards the end of March, Mr. Gandhi expressed the opinion that this was not only a very vital question but that, without its solution, it would be impossible for him to take any part in this Conference. It is only in a spirit not to obstruct in any way the work of this Committee, so far as it is possible to do so without giving opinions on matters which would be of no value whatsoever, that we could proceed on those lines ; and, so far as those questions are not touched, we shall give all the co-operation and all the assistance that we can in your work.

I thought it was best to make it clear to what extent we can proceed with the work.

(The Committee adjourned at 11-45 a.m.)

PROCEEDINGS OF THE THIRTY-THIRD MEETING OF THE FEDERAL STRUCTURE
COMMITTEE HELD ON THE 13TH OCTOBER, 1931, AT 11 A.M.

HEAD 4.

DISTRIBUTION OF FINANCIAL RESOURCES BETWEEN THE FEDERATION AND
ITS UNITS

DISCUSSION ON THE REPORT OF THE FEDERAL FINANCE SUB-COMMITTEE.*

Chairman : Your Highnesses and Gentlemen, The business which is before us to-day is the discussion of the Report of the Federal Finance sub-Committee ; and, before we begin this discussion, I am sure you will agree with me that we ought to tender our thanks and our congratulations to Lord Peel and the other members of the sub-Committee for producing for us, at rather short notice, such a very clear and lucid Report. I think that they have greatly helped on the business which we have in hand.

Lord Peel : Lord Sankey, I formally present the report of the Finance sub-Committee to the Federal Structure Committee. At this stage there are not many observations that I wish to make, because I hope I may assume that most of the members of the Federal Structure Committee have read the Report, and I will proceed on that basis.

There are just four points on which I should like to comment. The first is the paragraph at the end about the Expert Committee or Committees, because it may be thought that a good many subjects for investigation have been left over for this Expert Committee. That must necessarily be so, because, even in the fortnight during which we were sitting, we had really to hustle over these very large subjects at a very great rate, and there are a very large number also of detailed matters which would have taken us months and months to examine, and, indeed, which we were really not in a position to examine, because we had not got all the necessary material before us. I should like to explain what the sub-Committee meant by an Expert Committee. When they said an Expert Committee they meant an *expert* committee ; that is to say, our advice was that it should not be what is called a representative committee—representative of different interests, and so on—but that it should consist of people who were expert in these particular subjects, working under the general directions that we have proposed to give them, but dealing in the most cold and impartial manner possible with the facts and figures which they have to examine.

The second point on which I wish to comment is the question of the taking over of the debt by the Federal Government. Of course, from the point of view of the outside creditor and the general credit of India, this is of very great importance ; and we wanted the new Federal Government to succeed to the old with the least possible jolt, as it were, to the credit of India. Now, the question of the fairness of its being taken over by the Federal Government is examined, of course, in the Report ; and we comment on and criticise, if we may do so, the method that the Government of India has adopted of merely trying to size up or weigh up some of the assets and balance them against the whole of the debt. It is quite obvious that that method is really an unfair method and does not give sufficient credit for the

* The Report of the Federal Finance sub-Committee is printed as an Appendix to the Third Report of the Federal Structure Committee.

large assets that are held in India against the debt. It is a very remarkable thing, but I think, when the matter is properly gone into, it will probably be found that India actually holds assets which come very nearly to the amount of the debt, if not entirely—if they do not meet the whole of the debt. That is a most remarkable situation ; it is quite unparalleled, I believe, in any other country in the world. And perhaps I may be allowed respectfully to congratulate the Princes and the States for coming into so splendid an inheritance. It may be found, of course—and we allow that loop-hole—that there are certain portions of the debt (possibly small matters, like a share of pre-Federation pensions, and the question of some of these “ Central ” Departments), which ought to fall on “ Central ” as apart from Federal revenues. But the point on which I want to lay stress, of course, is that this is a purely domestic matter. It is a matter between the Federation and, as it were, “ Central ” revenues ; and, while we suggest that any balance over, either of interest or sinking fund, should fall in the first instance upon the Income-tax or other purely “ Central ” taxes, yet, from the point of view of the outside world, the debt is taken over by the Federal Government. This, as I say, within the Federal Budget, is a purely domestic matter to be adjusted between the Federation and the Provinces. That seems to me to be a matter of very great importance indeed.

The third point on which I should make an observation is the question of the division of the taxes and of the sources of taxation between the Federal Government and the Provinces and States. I think I may say, without disrespect to the sub-Committee, that at first they showed a tendency to take all the fat, all the good joints for the Provinces and the States, and leave rather a meagre fare for the Federal Government. I think perhaps this was natural, because we had representatives, of course, of the Provinces and representatives of the States, but we had nobody to represent the Federal Government, the Federal Government, of course, not being in existence. Few are the champions of unborn children ; and that doctrine was certainly illustrated in the sub-Committee. But I think, after further consideration, the sub-Committee did very much better than might otherwise have been done for the Federal Government ; and the Federal Government, though it started rather leanly, is much better endowed than perhaps might have been expected. I lay great stress upon this point because, for three main reasons, you must give a good deal of financial elbow-room to the Federal Government. The first is that, though it may have a restricted number of powers, yet within those powers and in the exercise of those powers it ought to be paramount. Secondly, it has the great duty cast upon it of defence, with all the emergencies that may arise out of that consideration. And, thirdly, it is, as you see, really responsible for the general credit of India ; and the proposals we make for loans, especially external loans, being raised through the Federal Government, make it of importance that you should not restrict too closely the resources of the Federal Government. Otherwise the creditor perhaps will examine the thing rather closely and may be tempted to ask a higher rate for his loans. Summarising, therefore, our attitude very generally besides the Customs, which of course must necessarily fall to the Federal Government, we have made proposals about Income-tax, about Corporation tax, and another point on which I lay some stress, that is to say the possibility of not too

difficult amendment of the constitution in respect of some of these financial provisions. We must not tie it up too closely. That is only a suggestion, because it was rather outside our province. Then, in paragraph 16, we discuss the question of contributions from the Provinces in order to start the Federation on a little stronger financial basis, with the suggestion that these should die away within a certain limited number of years. We also want to add a little flexibility to the finances by suggesting the possibility of grants from the Federal Government to the Constituent Units, and conversely we suggest that there should be a possibility of grants by the Constituent Units to the Federal Government. I am a little sceptical as to how far that will be a prolific source of revenue in practice, but it is one which might fairly be put forward. Then, of course, there are the emergency powers which must exist in the constitution should any serious difficulty arise. Just two points upon that. We discussed at some length the question of the division of these taxes. Sometimes they fell on one side of the line and sometimes on the other. I cannot say we were always in agreement as to which side of the line they should fall. If I may express rather my individual view, I should have preferred that the commercial items should go to the Federal Government ; and, as regards the Excises, you will notice that it is open to doubt whether "Narcotics" for this purpose should include Tobacco, and I myself would have hoped that the Tobacco Excise should not be included among "Narcotics." I think the result of all this is that the Federal Government is far better endowed than it was when it started.

The last point on which I wish to say a word is this. We were always met with the great difficulty that we had not a clean slate to start from, and we had to adapt ourselves and our views to the existing situation in a large degree. That, of course, was quite evident in the case of the relation of the Federal Government to the States. We have tried to get the largest degree of free trade we could within the conditions of India, subject to the existing situation, and we have suggested that transit dues should be forbidden, while we know that the Provinces do not charge internal Customs. The States, however, do ; and the States took up a strong attitude about the impossibility of doing away with their internal Customs, although it is obvious that they might to some extent affect the Customs levied by the Federal Government. But that is one of those things that cannot be altered, and I think the sub-Committee were quite clear, after examining the situation, that, to ask the States to wipe out at one swoop their internal resources of taxation, would simply paralyse the Budgets of the States and make it quite impossible for them to carry on. In that connection you will see how we have dealt with the question of the State contributions. On the one hand, we should be inclined to say that they are connected with a historical situation that no longer exists, and should not be carried over to the new Federation. They are very unequal in their incidence, and cannot be said to be a fair contribution from the States to the Federal Government. Well, of course, it will be very nice to wipe out the whole thing by one stroke of the pen ; but it is difficult to lose revenue in that way, and we have made various suggestions about a percentage reduction in the case of the more heavily charged States, and further proposals for the future abolition of these charges.

is /e have tried to observe, throughout our operations, three principles. First, we have had to start as practical men from the existing state of things. We could not construct an ideal state to start with. Secondly, we recognise that through that, though we are a finance committee, finance must be the servant and not the master of our operations. Thirdly, we have done our best to harmonise financial operations with the main lines of constitutional policy which are being laid down by the Federal Structure Committee. Those are our principles ; and that is all I have to say at this point.

There is one other matter, however, which I should like to interpolate. The sub-Committee laid one duty on me which I have not discharged, and that was to express in the Report our thanks to our Secretaries, who worked so very hard. I was told that I could not do that because it was unprecedented, and so I will take the opportunity of saying it now and thus escape the precedent difficulty.

Sir Purshotamdas Thakurdas : The Report of the sub-Committee is unanimous, and to that extent I am sure that it is particularly welcome to this Committee. I should like, if I may, to make a few general remarks before I go on to deal with some of the details. The Report deals with a difficult subject which requires careful elucidation of important underlying principles. Happily in regard to this question there are no special vested interests, liable to challenge, which have to be nursed. There is no conflict with Great Britain, and there are no sectional prejudices either. It, however, requires constructive ability and outlook of a high order to foresee the difficulties which must develop, and which will have to be faced before long, if the Federation of British India and Indian India—both sons of the soil and both interested equally in the Motherland and her progress and credit at home and abroad—is to march onwards to the goal of a powerful unit in the British Commonwealth of Nations. The sub-Committee, therefore, may rightly be congratulated on their broad vision and general spirit of avoiding encroachment on the views of either side in framing their Report.

Of the various important recommendations made by the sub-Committee, the one which is most outstanding is their suggestion that the field of enquiry should be divided into two parts, and that two Expert Committees should be appointed to deal with those two parts. The questions to be referred to them are of a most complicated and even, in some cases, delicate nature. It is to be hoped that this Committee will accept the Report with a strong recommendation that the personnel of the two Expert Committees should be such as will inspire full confidence, and that the Reports of those Committees will be accepted as giving a good start to the machine of Federal finance. These men must be experts, as far as possible, in the various questions involved—men who will, without fear or favour, decide the questions unbiassed and in as practical a spirit as possible.

I should like to make a few observations about some of the important details which require notice here. In paragraph 6 there is a sentence which requires special notice. It is the last sentence of the first sub-paragraph. The Report says :—

“ No classification of pre-Federation debt as ‘ Federal ’ and ‘ Central ’ for constitutional purposes could be contemplated of such a kind as to affect the position of the lender.”

, is in marked contrast with what is said on page 5 of the Memorandum of the Finance Department of the Government of India, where it is stated in paragraph 11 : -

“ It would therefore be correct, if any such distinction were made, to regard the main portion of the Sterling Debt as a Railway liability to be assumed direct by the Federal Government. In any case it will make for simplicity if Central's liability to Federal is recognised as a wholly rupee liability.”

I have no doubt that the observation in the Memorandum of the Government of India is incorrect ; and I would venture to say it was uncalled for and, unless challenged, may lead to complications.

Whilst on this subject of pre-Federation debt, I must observe in passing that the acceptance of the Report of the sub-Committee does not prejudice the broader question of an investigation of the liability of India for the whole of what is called the Public Debt of India. That is a separate issue and has to be considered on its own merits. There are those who hold strong views about this matter, and they must not be considered to be affected by the acceptance of this Report. In fact, I would suggest the addition of the words “ taking this term in its wider sense ” to the last line but five on page 5 of the Report. That, I think, will at least bring out the difference, which I think is very pertinent to the two considerations, namely, the question of debt in this Report and the broader question to which I have just referred.

In paragraph 13 of the Report, Transit duties, whether in the Provinces or in the federating States, are forbidden, and similarly the Provinces are debarred from levying internal Customs. This should be welcome to all. Transit duties in the Provinces and federating States would involve the negation of federation. As regards internal Customs, it can only be hoped that the States before long will come into line with the British Indian Provinces.

Regarding Grants to Constituent Units, dealt with in paragraph 14 of the Report, I suggest, Sir, that of the various considerations indicated in the first sub-paragraph there should also be included, for purposes of consideration by the experts, the question of contributions to be made to taxation by the British Indian Provinces. I daresay that that is perhaps included in the words “ or to some other criterion,” which is in the first sub-paragraph of paragraph 14.

Then, with regard to Income-tax, paragraph 15. I would like to refer to the last sentence on page 8, which reads :

“ The distribution of the proceeds of Income-tax among the Provinces (even though there may initially be countervailing Contributions to the Federal Government, as proposed in the next paragraph) may also form a very convenient means of alleviating the burden of two or three of the Provinces which, under the present system, are universally admitted to be poorer than the others.”

I wonder, Sir, whether this would be desirable. If it is suggested at any stage that some Provinces should be specifically helped by the Federation, I suggest that it would be better to make a direct contribution for that purpose rather than to mix that up with the question of contributions to

Provinces out of the Income-tax which we may recover from the Provinces. I always have felt that it is easier and simpler, in the long run, to make contributions on merits rather than to prejudice the claim of any Province or any Unit to its just share in the general pool.

Lord Peel : It would be partly a matter of book-keeping, would it not ?

Sir Purshotamdas Thakurdas : Yes, except that it would be somewhat difficult to beat down a Province in the proportion of contributions to which it may be entitled out of the general pool.

Sir Akbar Hydari : Do you mean by the "general pool" the Federal pool ?

Sir Purshotamdas Thakurdas : No. I am particularly referring to the pool with regard to the Income-tax—Income-tax which is collected by the "Central" Authority and is then distributed, after the expenses are deducted, to the Provinces. That is what I think is indicated in the sentence which I have just read.

Sir Maneckjee Dadabhoy : You are referring to the British Indian pool.

Sir Purshotamdas Thakurdas : Yes, that is it.

Under paragraph 20, "Maritime States and Kashmir," I have just one suggestion to make, which may be looked upon as verbal, but which I think is rather necessary. I will read the third sentence of the paragraph :

"One principle which we would lay down is that, in all cases, the import tariff at the States' Ports should be not less than that at Ports in the rest of India."

I would suggest that it should read :—

" should be the same as at Ports in the rest of India."

I may be told that this was the intention of the sub-Committee ; but I wish to draw attention to the fact that there should be no clash with what is laid down and agreed upon in the International Convention on the Regime of Maritime Ports, which requires that the import duty at each port of a country should be the same. I daresay that this is more of technical than of practical value ; but I felt that at this juncture I might just draw attention to this important commitment, and a very useful one too.

Regarding Borrowing Powers, which are dealt with under paragraph 22, the sub-Committee is unanimous that there should be no power to Units to borrow abroad, and I expect that that will meet with the approval of all of us. Normally, the Federal Government should be able to borrow cheaper than separate Units ; but it is perhaps necessary to let Units have the right to borrow independently if they wish to, or indeed if they can. Personally, I think, for the first few years—perhaps, say, ten, at least—a more strict control would be advisable. The Federal Loans Board, even though technically advisory, and having no direct power over the various federating Units, should be powerful, by its influence and the confidence it will command in the public eye, to exercise a salutary check.

I feel that, as to paragraph 25, where some reference is made to the Commercial Departments, nothing that is said here should prejudice us from taking up the attitude which some of us desire to take up in connection

Departments, which will, I take it, come up more properly at a later age. I have no more remarks to make.

Sir Provash Chunder Mitter : Lord Chancellor, Let me begin by congratulating the sub-Committee, which has done most useful work. If I have any suggestions to make at a short notice, I bring forth those suggestions, because the question is a very difficult one, and on a proper decision of the question depends a good deal. Lord Peel has explained to us what, in his opinion, should be the constitution and personnel of the Expert Committee; in other words, that it should be really an *expert committee*. My esteemed friend, Sir Purshotamdas Thakurdas, who is perhaps himself an expert, has suggested that there might be a representative element in it. If I am wrong in saying that, I shall be corrected.

Sir Purshotamdas Thakurdas : I did not say that, Sir Provash.

Sir Provash Chunder Mitter : You said that it should be an expert committee, but you also said that, I would like to be corrected. Will you please read out what you said? You said it should inspire confidence.

Sir Purshotamdas Thakurdas : I will read out that particular part which I have on paper. It is to be hoped that this Committee will accept the Report with a strong recommendation that the personnel of the Expert Committee should be such as would inspire full confidence, and that the Report of the Committee should be accepted as giving a good start to the machine of Federal finance. They must be experts in the various questions involved who would, without fear or favour, decide the question unbiassed, and in as practical a spirit as possible.

Sir Provash Chunder Mitter : Thank you.

Chairman : They are clearly not representative, then.

Sir Purshotamdas Thakurdas : That is so. I did not say a word about it.

Sir Provash Chunder Mitter : That word "confidence" led me astray. However, I am unhesitatingly of opinion that the Committee should really be an *expert committee*. At the same time, I would like this Committee to consider this, that the representatives of the people will have to deal with the matter later on. The Expert Committee may make very good suggestions, but the elected representatives of the people will have to work the constitution. Therefore I merely throw out this suggestion: let the Committee be an Expert Committee, but let the Report of the Committee be placed before a representative committee. Ultimately His Majesty's Government will decide. If the representatives make suggestions which are unacceptable, then no doubt the Report of the Expert Committee and the suggestions of the representatives will be considered.

Sir Tej Bahadur Sapru : I should like to know what Sir Provash means by saying that His Majesty's Government will ultimately decide.

Sir Provash Chunder Mitter : I am going to develop that. I feel that, at the present time, we have not got the necessary data. An Expert Committee will be given certain directions; an Expert Committee will be in a

tion to ascertain those data, and to make their suggestions from the view of the possibilities of rupees, annas, pies, the system of taxation, on. Now, that is pre-eminently the duty of an Expert Committee ; when the Report of the Expert Committee will be before the representatives of the public, they may say : " Oh, this is wrong and that is wrong." As I look upon these proceedings, we are advising—we are telling His Majesty's Government what India wants ; but we are not authorising plenary powers to draft the constitution of India. I have not the slightest doubt that His Majesty's Government will give every weight to the opinions expressed by this Committee : but the ultimate drafting will be with His Majesty's Government, and, in cases where there is a difference of opinion, His Majesty's Government will have to decide. If, however, we can produce something absolutely unanimous, I have not the slightest doubt that, unless there are very strong reasons to the contrary, His Majesty's Government will defer to such unanimous opinion. But this is not a question of politics ; it is a question of finance. As I have already stated, what I have put forward is a mere suggestion. If a better suggestion can be put forward, I am willing to express my opinion on that. But I feel that the Report of the Expert Committee should not be made the starting point of criticism. You will take away the chances of criticism if you allow the representative Committee to have their say on the matter. But if Sir Tej Bahadur Sapru can make a better suggestion, I shall be very pleased to hear it.

Sir Tej Bahadur Sapru : I should like to know the stage at which this Expert Committee would come into existence. Is it intended that the Expert Committee will function first, and when its Report has been submitted, the constitution will come into force ; or is it suggested that you will follow the South African model, and appoint a finance commission or something like that ? If it is to come at an earlier stage, then ultimately it will be His Majesty's Government who will incorporate it in the Constitution. If it is to come at the later stage, it will be the Federal Government which will have to enforce the recommendations of that Expert Committee. I may remind you that in South Africa it was the Dominion Government which had to enforce the recommendations of the Finance Commission.

Lord Peel : I will answer that as far as I can, but I cannot, of course, answer it as Chairman of the sub-Committee. I can only speculate on the answer as a member of the Conference, so that I do not know that my answer is worth much. It very largely depends on time. I do not know when this Federal Government is going to be set up ; but I imagine that, if the Expert Committee is set up soon, as I suppose it will be, its Report, whatever it may be, will be examined and the necessary results of that Report can be embodied in the Constitutional Act.

Mr. Iyengar : May I say, as one of those who took part in the work of the sub-Committee, what I thought was to be the function of the Expert Committee ?

Lord Peel : I am not saying anything about its functions, of course.

Mr. Iyengar : No. I understood that, for the purposes of drafting and making the constitution, our recommendations were perfectly sufficient ;

